

MARITIME DOUBLE ENTRY BOOKKEEPING

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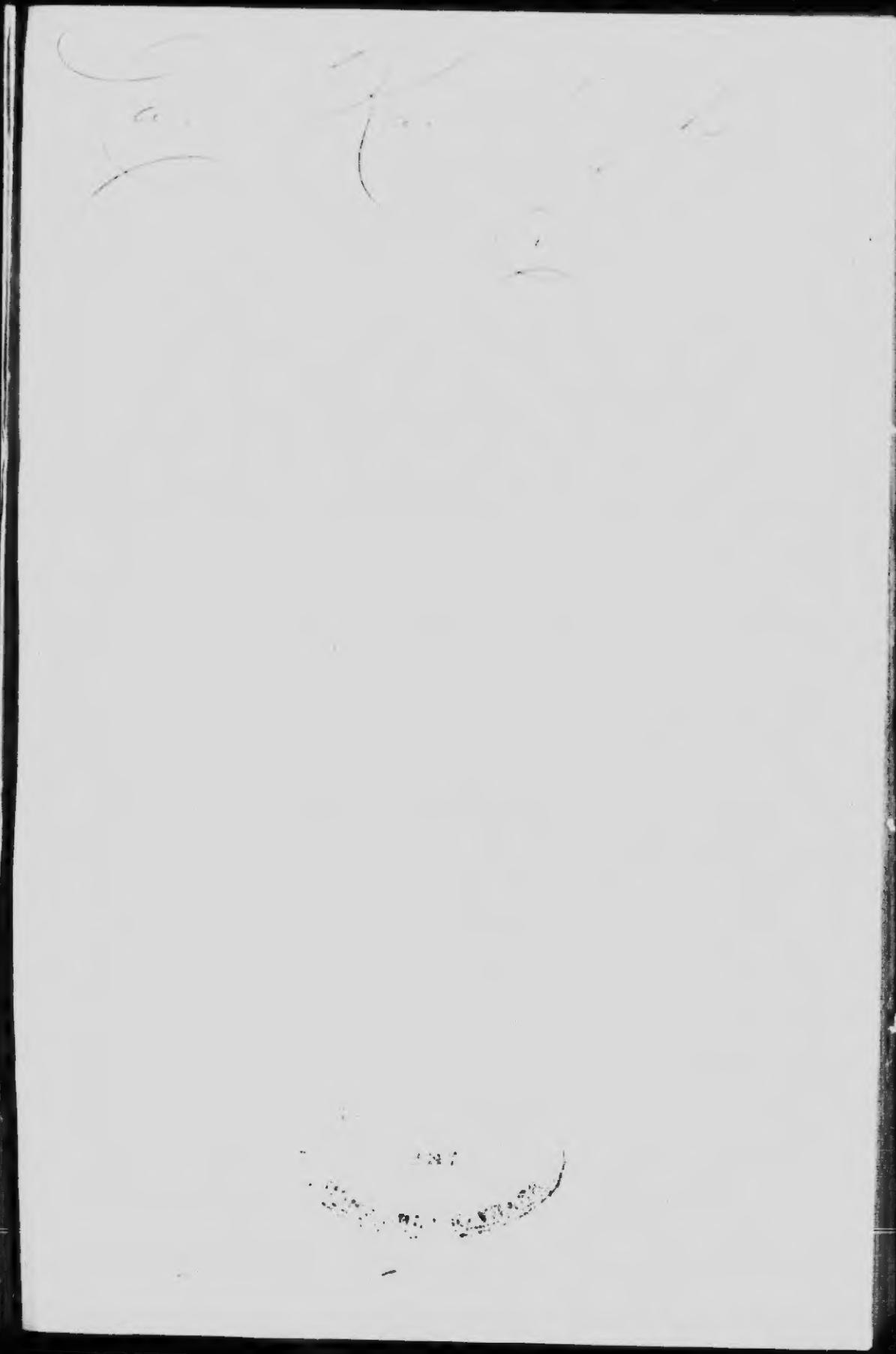
E. KAULBACH

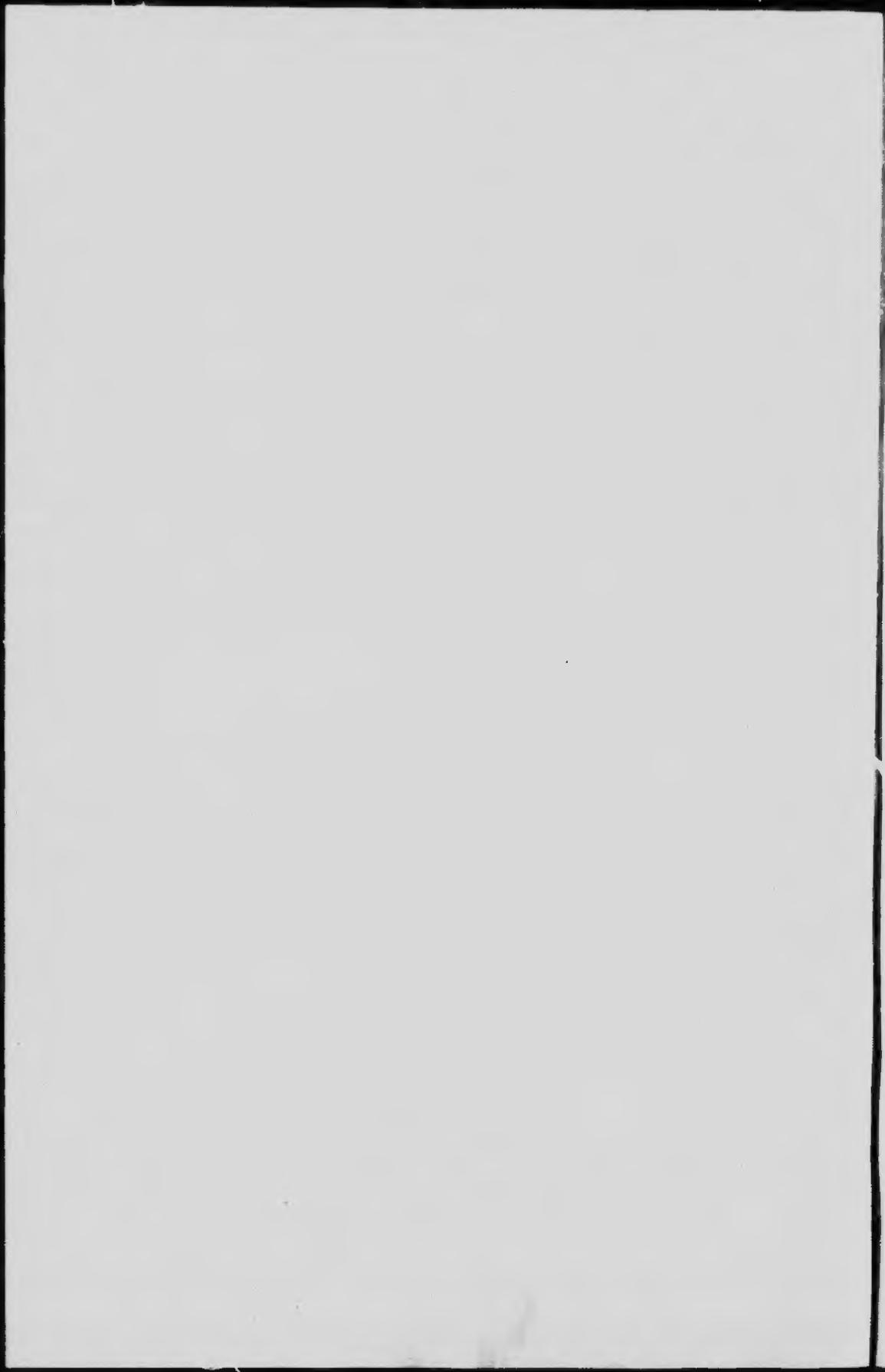
Chartered Accountant

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MARITIME DOUBLE ENTRY BOOKKEEPING

AN ELEMENTARY, PRACTICAL AND RATIONAL
METHOD OF PRESENTING THE PRINCIPLES
AND PRACTICE OF DOUBLE ENTRY
BOOKKEEPING

ARRANGED FOR CLASS AND PRIVATE STUDY

E. KAULBACH, C.A.

73 College Street - HALIFAX, N.S.

1916

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Fol.



HALIFAX.
N.S.

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Chartered Accountant, Halifax, N.S.

PREFACE

FIRST EDITION

THE demand for Maritime Single Entry led us to believe we had produced a good book and accomplished our purpose. We wanted, however, a better treatise on Double Entry than we had seen. Our practical experience in office work, as teachers of the art and science of accounts, and our varied duties as Chartered Accountants, placed us in a position to know the difficulties encountered by the beginner and how to overcome them. These are the prime reasons for the appearance of *Maritime Double Entry Bookkeeping*.

Our method has been to introduce the student to commercial forms and documents, to exercise him in their preparation and use, and then to instruct him in the best methods of recording what he has done with them; or, otherwise expressed, our aim has been that he should "learn by doing."

To accomplish this we endeavoured to get down to the level of a novice, and by the aid of practical yet familiar transactions, to develop a systematic method of recording his dealings with his fellows. This has been our aim from first to last; hence, we offer no apology for the elementary work, copious examples, and numerous exercises.

The Journal is the book of record at the outset, but one by one other books are introduced as books of original entry; so that in the seventh practice set there is little left for the Journal. Though there is variety of style we have not outlined all systems, but we think the thoughtful student, after completing this work, if he has not just the system he desires for his business, should be able to combine two or more of the systems illustrated, and adapt one to the needs of his particular case.

We have confined our attention to the principles of the science and the application of these principles. We do not consider it our place to advocate this or that style of office devices for keeping the history of the business. Whatever method is adopted, fully-bound books, loose- (hence transferable) leaf books, or even the law of debit and credit must be recognized.

Our sincere thanks are due and are hereby tendered to our former students, some of the Chartered Accountants of Nova Scotia, for valued suggestions. These came as difficulties of student days, problems in the office, ideas from daily routine, etc. To Mr. F. A. Hayes, an experienced bookkeeper, and successful Intermediate Candidate of the Institute of Chartered Accountants of Nova Scotia, for suggestions in arrangement and revision of the MSS. we give special acknowledgment.

THE AUTHORS.

73 COLLEGE STREET, HALIFAX, N.S., Dec. 15, 1908.

PREFACE

SECOND EDITION

ADDITIONAL years of experience as a teacher and Chartered Accountant have suggested some slight revision of the manner in presenting the second edition of *Maritime Double Entry*. These changes will be found mainly in the first section.

At the request of a large number of students, two additional sections have been added to illustrate the mode of keeping two or more ledgers at the same time and their relation to each other.

THE AUTHOR.

Halifax, N.S., October, 1916.

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MARITIME DOUBLE ENTRY.

A Business transaction is an exchange of values.

Bookkeeping is the art of recording business transactions.

There are two parties to each transaction—the one who gives the value and the other who receives the value.

Business transaction, No. 1:

Armstrong sells a watch to Brown for \$10.00 (a sale of goods for cash).

Illustration: Armstrong parts with the watch and receives the \$10.00.

The \$10.00 which he has received has cost him the value of the watch given to Brown. Test this by using slips of paper having the values marked thereon. Notice that the money or cash \$10.00 costs the value of the watch which is parted with.

It will also be seen that not only are there two parties to each transaction, Armstrong and Brown, but there are two values exchanged, the watch and the money.

There are two words used to designate the existing relation between the parties to these transactions and between the values exchanged, viz.: Debit and Credit.

Debit is the word used to signify cost; **Credit** to signify production. It will be evident also that the thing received costs value and the thing parted with produces value.

Considering the parties to the above transaction, neither is in debt to the other because the money payment cancels the indebtedness. In Single Entry Bookkeeping a memorandum only of the cash received would be made. But, in Double Entry Bookkeeping, accounts are kept for things as well as for persons, for these cost or produce value the same as individuals.

Personal Accounts are those with individuals, firms, or corporations, as J. P. McNeil, J. F. Inglis & Co., or The D. A. MacKay Co., Ltd.

Impersonal Accounts are those with non-existing, fictitious or imaginary persons, as Expense, Duty, Taxes, Insurance, etc.

The entry or record for the transaction is first made in a book called a **Journal**, or as it is sometimes called a **Day Book**.

The determining of the debits and credits in the transactions is called **Journalizing**. They are made in the Journal or Diary as the transactions are performed.

For each transaction one debit and one credit is recorded for like amounts, hence the term **Double Entry**.

The debit is written first and the credit on the following line, the amounts being written in the columns opposite the names to the left and right respectively. Debits are always placed to the left, credits to the right.

Using the general rule: Debit the cost; credit the production. Brown's entry or record would be made thus:

Watch	Dr.	\$10.00
Cash	Cr.	\$10.00

Bought for Cash a watch.

Look at the same transaction from Armstrong's (the seller's) point of view and write his record of debit and credit.

It is the science of bookkeeping to determine the relation which the parties bear to one another in the transaction, and the art of bookkeeping to make the record.

MARITIME DOUBLE ENTRY.

Business transaction, No. 2:

Sale of goods "on credit," or as it is sometimes called "on account," meaning that the price is not paid at the time of purchase.

Brown in turn, sells the watch for \$15.00 to Christie, who does not pay the cash for it. Illustration: Brown now holds a claim against Christie for the value of the watch. This claim which Brown holds against Christie has cost the value of the watch (\$15.00) and the watch has produced to him the claim against Christie. Christie will then owe or be in debt to Brown. Brown's entry for this transaction will be:

Christie	Dr.	\$15.00
Watch	Cr.	
Sold on %		

Business transaction, No. 3:

(Part payment on account.)

Christie gives Brown \$5.00 as part payment on the watch.

Illustration: Brown accepts the money and in consequence must release a claim for that amount which is held against Christie. The money received costs the value of the claim released. The claim released produces the value of the cash received.

Cash	Dr.	\$5.00
Christie	Cr.	
Rec'd on %		

From Christie's point of view. The money which Christie pays is obtaining for him a release of part of the claim which Brown holds against him, or the claim released costs the value of the money paid. Christie's entry would be

Brown	Dr.	\$5.00
Cash	Cr.	
Paid on %		

If Brown compares the records of his transactions affecting the watch, he will find that it has been debited (cost) \$10.00 and credited (produced) \$15.00. For ease of comparison he would arrange it thus:

Watch.

Cost	\$10.00	Produced	\$15.00
------	---------	----------	---------

A collection of such items of debits and credits is called an **Account**, and it will be readily seen that the excess of the production over the cost shows an excess or gain of \$5.00. In like manner a merchant may keep an account for each commodity which he handles, debiting the commodity with its cost and crediting it with its production (which would be the sales), and in this way can tell which lines of goods are most profitable to handle. This would necessitate a great number of accounts and extra bookkeeping, and for this reason most dealers prefer to keep one account for all the commodities bought to be sold again. Such an account is usually called **Merchandise**.

MARITIME DOUBLE ENTRY.

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MERCHANDISE ACCOUNT.

Example: Bought of E. S. Miller for cash, dry goods valued at \$182.50. Sold goods to G. O. Bower on account for \$97.40. Bought on account of L. E. Dickie, Boots and Shoes valued at \$92.75. Bought on a 10-day note of M. A. Dunlop, Hats and Caps invoiced at \$124.75. Sold C. B. Teed goods on account for \$102.60. Bought for cash from B. O. Watson \$91.40 worth of Hardware. Sold A. Leydon on her note at 30 days, goods for \$49.35. Sold F. Dewar for cash goods valued at \$50.65. Bought of S. M. Hope on account, Groceries invoiced at \$208.60. Sold A. Genders for cash, goods \$117.25. H. M. Pooley bought goods worth \$82.75.

MDSE.

	\$182.50	\$97.40
	92.75	102.60
	124.75	49.35
	91.40	50.65
	208.60	117.25
Gain	100.00	82.75
		Inventory 300.00
	800.00	\$800.00
Inventory	<u><u>\$300.00</u></u>	

Observe that the cost was in each instance placed on the left—Debit side, and that the value produced on the right—Credit side. That is each purchase is a debit and each sale a credit.

At the end of any given period an **Inventory**, i.e., a list of all unsold goods is prepared at cost or market value, is placed in red ink on the Credit side.

The gain on this account is then ascertained by finding the difference between the two sides, Debit and Credit. You will find that \$100 was made, i.e., \$100 more has been credited than was given for the sold goods. This is entered on the Debit side in red ink. Draw single lines in red ink, enter the totals in black ink—they must be the same and on the same line—draw double red lines, and bring below the ruling on the Debit—left side—the Inventory, i.e., the value of the unsold goods.

Give the Journal Entry for each of the foregoing purchases and sales.

EXPENSE ACCOUNTS.

But not all purchases incidental to the business are chargeable to Merchandise. The merchant needs a desk and a safe for the office, a stove and coal for the store, oil or electricity for the lamps, the service of clerks to wait on customers, signs to attract attention, horses and waggons for delivery of goods, feed for the horses, paint and tires for the waggon, etc. These are not purchased for future sale. They are costs or expenses necessary to the business, and it is very difficult to tell what value each produces to the business. The general merchant places all charges for such as enumerated above into an account which he cal's **Expense**, although this account may be broken up into as many others as the merchant wishes. It is the ability (by means of these accounts with the business) to determine the source of the gains and losses, which makes Double Entry so preferable to Single Entry. It helps a merchant to stop the leaks.

MARITIME DOUBLE ENTRY.

Example: Bought for Cash books and other office requisites, \$28.50. Paid the Maritime Record, by cheque, for 3 months' advertising, \$22.50. Bought of E. E. Stech for Cash, coal for store, \$9.50. Bought of Fillmore & Hardy on account an office safe, \$175. Paid \$120 Cash for Silent Salesman Show Case. Sold old show case for \$15. Paid 3 months' telephone rent, \$15. Paid for clerks' services, \$65.

EXPENSE.

Books	\$28.50	Show Case	\$15.00
Advertising	22.50		
Coal	9.50		
Office Safe	175.00		
Silent Salesman	120.00		
Telephone Rent	15.00		
Salaries	65.00		

Give the Journal Entries for the above example. If the above account shows the expenses incurred or paid for one month only, is the difference between the two sides all loss to the proprietor?

Expense Inventory:

Books, etc.	\$23.50
Advertising (2 months)	15.00
Coal	5.00
Office Safe	175.00
Silent Salesman	120.00
	\$295.00
Less 10% Telephone (2 months)	29.50
	265.50
	10.00
	\$319.00

Copy the above account on Ledger paper. Can you give your teacher the reason for each entry?

The credit side of the account shows what this account has produced. The inventory shows what you value it to be worth to you now. Write in red ink on the credit side, Inventory \$319.00. Now you have all values against and for this account. What does this difference represent? Write in red ink on the smaller side Loss \$101.50, and line off and total the account. Bring the Inventory below the ruling on the debit side in black ink.

INVESTMENT or CAPITAL ACCOUNT.

You must consider the business as a fictitious person; one taking from and giving to the proprietor values.

This account represents the proprietor's investment and shows what the business owes to him, or in other words the value of the business.

Illustration: Donahoe has \$500 with which he wishes to start business. After he invests this money in the business, has the business not cost him value? And does the business not owe him for his investment? Is he not a creditor of the business for the amount of his investment? When the business receives the investment, is the money not placed in the receptacle for cash? Has the cash department not cost value? And is not this value, which the cash department has received, just the amount of the debt due by the business to the proprietor? Cash then has cost the business value, and Donahoe, the investor or proprietor of the business, has produced this value.

MARITIME DOUBLE ENTRY.

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The entry for the investment would be:

Cash	Dr.	\$500.00
Donahoe	Cr.	\$500.00

Invested in business

Example: August 1, 1908, Dudley F. Gabriel begins business and invests the following:

Cash in office \$50; in Students' Bank \$2,350; goods in store valued at \$1,975; office and store fittings which cost him \$265; delivery outfit worth now \$325; a debt of \$215 due him by E. P. Comeau. He owes Walter Hopkins for goods included in the inventory, \$645; and J. D. Hattie has not been paid for the delivery horse, \$90; the clerk's salary is not paid for July, \$45.

DUDLEY F. GABRIEL.

Walter Hopkins	\$645.00	Cash	\$50.00
J. D. Hattie	90.00	Bank	2350.00
Clerk	45.00	Merchandise	1975.00
		Furniture and Fixtures	265.00
		Delivery outfit	325.00
		E. P. Comeau	215.00

How much does the Business owe the Proprietor at this date?

Take a sheet of Ledger paper and copy the above and make the correct entries for following:

Aug. 15/08. Proprietor paid his life insurance premium in Cash, \$142.50.

31. L. M. Green pays an account of \$80 which had been overlooked in making above list.

Sept. 5. Proprietor took from stock for his own use goods valued at \$37.50.

What amount does the Business owe him now?

Give the Journal entry for each of the above.

Cash, Merchandise, Expense, etc., are but departments of the business, and each account is made responsible just the same as if it were a person for the value of the allotment placed in the department. All entries should be made as if the business were a person and all debts were due to it or by it, for it is only through the business (or the departments of it) that the proprietor's account is affected.

Following are a series of transactions to be journalized; a complete explanation should be placed after each, for it should be borne in mind that the explanation is the history of the transaction; the journal entry is but the debits and credits affected, and if an error be made in journalizing, it would be very difficult to detect it unless a complete explanation was made. Skip a line after each entry; place the date at the left, and the amount opposite each account to be debited or credited in the money columns to the left and right respectively.

Take a sheet of Journal paper. Number the pages. Write neatly. An account will be kept with the Bank, debiting it for all moneys deposited or placed therein for safe keeping, and giving it credit for all sums withdrawn or which it pays for you.

MARITIME DOUBLE ENTRY.

MODEL SET. Transactions.

HALIFAX, N.S., June 19

- June 1, 19—Student began business by investing \$3000 in cash.
 2 Deposited in Students' Bank \$2950.
 3 Bot. of W. M. Jackson giving in payment my cheque, books,
 etc., for office use, \$22.50.
 4 Bot. of R. J. Berringer on my cheque goods invoiced at \$1000.
 5 Sold F. A. Cochrane for Cash:
 15 bbls. Flour @ \$6.00
 5 " Oatmeal 9.00
 6 Paid Cash for stamps and telegrams, \$3.25.
 8 Bot. on account of S. C. Dexter, goods invoiced at \$720.
 9 Sold to E. J. Ennis on account:
 125 bbls. Flour @ \$6.10
 50 " C. Meal 4.50
 2 " Pastry Flour 6.25
 10 Sold J. H. Forsythe for Cash:
 50 bbls. C. Meal @ \$5.00
 11 Deposited in the Bank \$300.
 12 Bot. of Graves Bros. on account goods per invoice \$1250.
 15 Paid by cheque Telephone rent, \$7.50.
 16 Sold J. H. Kelly on account:
 20 bbls. Flour @ \$6.10
 20 E. J. Ennis gave me on account his cheque for \$600.
 22 Deposited in Bank the Ennis cheque.
 24 Sold M. V. Isles for Cash:
 50 bbls. Flour @ \$6.00
 25 Gave Graves Bros. to apply on my account \$300 in Cash and my
 cheque for \$700.
 26 Paid S. C. Dexter by cheque \$500 on account.
 27 Received from J. H. Kelly Cash in full of his account.
 Deposited in Bank \$200.
 29 Student took for private use by cheque, \$50.
 30 Paid in Cash, Clerk, C. H. Tupper, wages for June \$32.50
 Paid by cheque to J. S. Roy, June rent, \$30.

INVENTORIES:

Mdse.	\$1500
Expense	15

HALIFAX, JUNE, 19—.

June	1 Cash		3	3000.00	
	Student (your name)		2		3000.00
	2 Bank		3	2950	
	Cash		3		2950
	Deposited in Students' Bank				
	3 Expense		4	2250	
	Bank		3		2250
	Bot. Offi Books, etc.				
	4 Mdse.		4	1000	
	Bank		3		1000
	Bot. of R. J. Berringer on cheque per invoice				

MARITIME DOUBLE ENTRY.

11

HALIFAX, JUNE, 19—.

5	Cash				
	Mdse.				
	Sold F. A. Cochrane for Cash				
	15 bbls. Flour @ \$6	\$90			
	5 " Oatmeal 9	45			
6	Expense				
	Cash				
	Paid for Stamps and Telegrams				
8	Mdse.				
	S. C. Dexter				
	Bot. on acct. per Inv.				
9	E. J. Ennis				
	Mdse.				
	Sold on acct.:				
	125 bbls. Flour @ \$6.10	762.50			
	50 " C. Meal 4.50	225.00			
	2 " Pastry Flour 6.25	12.50			
10	Cash				
	Mdse.				
	Sold to J. H. Forsythe for Cash				
	50 bbls. Corn Meal @ \$5				
11	Bank				
	Cash				
	Deposited in Bank				
12	Mdse.				
	Graves Bros.				
	Bot. on acct. per inv.				
15	Expense				
	Bank				
	Paid Telephone Rent				
16	J. H. Kelly				
	Mdse.				
	Sold on acct.:				
	20 bbls. Flour @ \$6.10				
20	Cash				
	E. J. Ennis				
	Paid on acct by his cheque				
22	Bank				
	Cash				
	Deposited Ennis' cheque				

MARITIME DOUBLE ENTRY.

HALIFAX, JUNE, 19—.

24	Cash		3	300	
	Mdse.		4		300
	Sold M. V. Isles for Cash				
	50 bbls. Flour @ \$6				
25	Graves Bros.		4	1000	
	Cash		3		300
	Bank		3		700
	Gave them on acct. cash and cheque				
26	S. C. Dexter		3	500	
	Bank		3		500
	Paid on acct. by cheque				
27	Cash		3	122	
	J. H. Kelly		4		122
	Received in full of acct.				
	Bank		3	200	
	Cash		3		200
	Deposited				
29	Student		2	50	
	Bank		3		50
	Took by cheque for private us				
30	Expense		4	32 50	
	Cash		3		32 50
	Paid Clerk, June wages				
	Expense		4	30	
	Bank		3		30
	Paid J. S. Roy, June rent, by cheque				
INVENTORIES:					
	Mdse.			\$1500	
	Expense			15	

EXPLANATIONS AND QUERIES

- June 1 Why are you a creditor of the business?
 2 The Bank is treated as a person—artificial person, not fictitious.
 Why debit it?
 3 Why not debit Jackson?
 4 Why credit the Bank?
 5 Why credit Mdse.?
 6 When do you debit Expense?
 8 Why do you credit Dexter?
 9 Why debit Ennis?
 10 Why does Forsythe's name not appear?
 11 Why credit Cash?
 20 Why debit Cash? Why credit Ennis?
 22 Why credit Cash?

MARITIME DOUBLE ENTRY.

13

- 25 Note the form of this entry. One debit equals two credits. Two entries could have been made for this transaction.
 27 Why credit Kelly?
 29 Why debit Student?
 30 Why not debit the Clerk? and Roy?

POSTING.

For convenience in comparing the records of the transactions with the different persons and departments of the business, the items affecting each are grouped together as debits or credits under one head in a book called the **Ledger**, which is ruled very much like a double Journal, except that but one money column is used for each side. The name of the account is called the **Ledger Title**, and this name, the date and the amount of debit or credit are taken from the **Journal** entry. This collecting of the items from the **Journal** to the **Ledger** is called **Posting**. To show that the items have been posted, the page of the account in the **Ledger** is placed opposite the **Ledger Title** in the **Journal**, and the page of the **Journal** is placed opposite the amount posted in the **Ledger**.

Before beginning to post, number the pages of a sheet of **Ledger** paper. Examine the **Journal** closely. Notice that each debit has a corresponding credit, and also how frequently the **Ledger** titles **Cash**, **Expense** and **Merchandise** appear. These accounts will require much more space in the **Ledger**. Give them one-half page each, other accounts about seven lines each. Write the **Ledger** title in a bold hand. In posting the accounts keep the units, tens and hundreds in their proper positions. Form this habit early. Post the items consecutively as they appear in the **Journal**. Be sure to enter in the **Journal** the folio of the **Ledger** to which the item is posted, and in the **Ledger** the page from which it came.

LEDGER.

STUDENT.

19—

19—

June 29	J 2 50	June 1	J 1 3000
---------	----------	--------	------------

CASH.

19—

19—

June 1	J 1 3000	June 2	J 1 2950
5	1 135	6	1 325
10	1 250	11	1 300
20	2 600	22	2 600
24	2 300	26	2 300
27	2 125	27	2 200
		30	2 3250

MARITIME DOUBLE ENTRY.

19— S. C. DEXTER.
19—

19—		EXPENSE.		19—	
June	3	J	1	22	50
	6		1	3	25
	15		1	7	50
	30		2	32	50
	30		2	30	

June		Mdse.		June		J	
4		J	1	1000		1	135
8		1	720	9		1	1000
12		1	1250	10		1	250
				16		2	122
				24		2	300

19— E. J. ENNIS.
19—

19— GRAVES BROS.
19—

MARITIME DOUBLE ENTRY.

15

J. H. KELLY.

19—

June 16	J 2 122	June 27	J 2 122
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THE TRIAL BALANCE.

After having finished posting, think about what has been done—the entries in the Journal, each having an equal debit and credit, and these debits and credits being posted to the Ledger under their respective heads. If each debit has an equal credit in the Journal and the Ledger contains these items, then the sum of the debits should equal the sum of the credits, in the Ledger, for the Ledger contains but the items in the Journal. When this equality of the Ledger exists, it is said to be "in balance," and the statement showing a list of the accounts with the totals is called a **Trial Balance**. Rule a sheet of paper with columns for folio, account, debit and credit. Into this write the accounts as they occur in the Ledger, recording the page, account and debit and credit footings. Then add the amounts: if the totals of the Trial Balance agree, the Ledger is said to be "in balance." This Trial Balance is not an absolute proof of correct work; it merely shows that the items are on the proper side of the Ledger, for an item posted to the proper side but into another account than that for which it was intended would not disturb the equality of the Trial Balance.

TRIAL BALANCE, JUNE 30, 19—

Student	3	50	3000	75
Cash	3	4407	4385	75
Bank	3	4050	2310	
Expense	4	95	75	
Mdse.	4	2970	1807	
S. C. Dexter	3	500	720	
E. J. Ennis	4	1000	600	
Graves Bros.	4	1000	1250	
		14072	14072	75

LOSS AND GAIN ACCOUNTS.

Examine the Trial Balance critically. It is a summary of the Ledger. The investor wishes to know the gain or loss for the month. Examine each personal account and notice whether the balance is a debit or a credit one. They represent purchases and payments, and the balances, amounts due to or due by the business. They are neither losses nor gains, and when these obligations shall have been discharged, the two sides will be alike. Examine Cash Account. Has it a debit or a credit balance? Debit represents debts; credit represents payments; the difference should be the same as the money on hand. This is not loss or gain; it is a valuable possession and is known as an asset. Merchandise, as explained on page 7 exhibits cost and production. The Debit represents the cost of all the goods, and the

Credit, sales of part. There are some still on hand. This quantity in stock is also an asset and is called a Merchandise Inventory. It must be taken into consideration in estimating the gain. When the business is extensive the merchant itemizes the stock valued at its cost price in a separate book called a Stock Book, and this itemizing which is usually done once a year, is called Taking Stock. In the absence of a Stock Book make a memorandum of the Inventory following the last transaction in the Journal. The value is \$1500.

Write it thus:

Inventories:

Merchandise, estimated value,	\$1500
Expense,	15

Loss is the excess of cost over production. Gain is the excess of production over cost. To show the total production of Merchandise it will be necessary to add the inventory to the sales. Then the difference between the cost and the total production will be the gain.

The whole cost of Expense is shown by the debit side \$95.75. The account will therefore show a loss of the difference between this cost and the present value, \$15. The difference between the Losses and the Gains is called the Net Gain. Take off a statement showing these Losses and Gains, as follows:

LOSS AND GAIN STATEMENT, JUNE 30, 19--.

Expense—Cost	\$95.75			
Inventory	15.00			
	<hr/>			
Mdse.—Sales	1807.00		80	75
Inventory	1500.00			
	<hr/>			
Produced	3307.00			
Cost	2970.00			337
	<hr/>			
Net Gain			256	25
			<hr/>	<hr/>
			337	337

RESOURCES AND LIABILITIES.

One of the objects of bookkeeping is to assist the proprietor to determine his worth. He knows the amount of his capital on commencement, and providing he did not take anything out of the business he would be worth this amount plus what he gained as shown by the Statement of Losses and Gains. Also, he is worth what he owns minus what he owes. These possessions, called Assets, include the debts owing to him as well as the inventories. The debts due by him are called Liabilities. The difference between the Assets and the Liabilities is called the Present Worth or Net Capital.

Prepare a Statement from your Trial Balance and Inventories, and arrange your work similar to the following:

MARITIME DOUBLE ENTRY

17

BALANCE SHEET, JUNE 30, 19-

	ASSETS.	LIABILITIES.
Cash	3	21 25
Bank	3	1740
Expense—Inventory	4	15
Mdse.—Inventory	4	1500
S. C. Dexter	3	
E. J. Ennis	4	400
Graves Bros.	4	250
Present Worth, Investment	\$3000 00	
Net Gain	256 25	
Total Credit	3256 25	
Less Drawings	50 00	
		3206 25
	3676 25	3676 25

Notice in the above statement of Assets and Liabilities that the difference between the Assets and the Liabilities is equal to the balance of the investor's account plus the net gain, and that the complete statement is like a new Trial Balance.

CLOSING THE LEDGER.

Having statements of the business on paper, the permanent record should be made in the books. The losses have diminished the investment and the gains have increased the investment. Instead of placing these gains and losses directly to the Capital account from the accounts in which they arise, adjustment is made through the medium of an account called **Loss and Gain**, which is closed into the Capital (or Proprietor's) Account, and the same facts are preserved permanently in this account, which have been shown on the statement of Losses and Gains. Open this new account following the last account in the Ledger. Head it Loss and Gain. Into this will be closed the accounts, which show a loss or gain. The work is called **Closing the Ledger**.

Keeping the Statement of Losses and Gains near at hand for reference while so doing, turn first to the Merchandise Account. The credit side represents the sales. The debit side being the cost of all the goods, includes the inventory. If it were possible to lift the inventory out of the debit side, the balance would be the cost of the sales. The difference between the two sides would then be the gain. This "lifting out" is effected by placing the inventory on the credit side, in red ink, thus making it common to both sides. Then, after balancing the account with the gain, bring it down on the debit representing the cost of the goods on hand out of which the next sales will be made. The entry of the inventory on the credit side should be made with red ink because it does not belong there, but being coupled with the sales shows total production as against total cost on the debit side. This method is shown under Loss and Gain. The excess of credit is the amount of the gain as shown by the Statement. Write the Gain in red on the lesser side (the Debit), for it really does not belong there, being used only for the purpose of adjustment. Rule a single line in red under the last line. Place the

MARITIME DOUBLE ENTRY.

totals in black and double rulings in red beneath these. Bring in black ink the inventory below the double rulings on the debit side. When the inventory is thus lifted out, the credit side is in excess of the debit by the amount of the gain, and as the equality of the Ledger must not be disturbed, instead of bringing down the gain to the credit of Merchandise it is transferred to the credit of the Loss and Gain account. Make the entry as shown under Loss and Gain. This entry completes the closing of the Merchandise Account.

Turn now to Expense Account. Notice that the debit is the total cost and includes the inventory. Lift the inventory out as explained under the Merchandise Account by placing it in red on the credit side. The excess of debit will be the loss. Write the amount of loss also in red on the credit side. Rule and total as explained under Merchandise: bring down the inventory on the debit side in black. Transfer the loss (since it is an excess of debit) to the debit side of Loss and Gain account. This completes the closing of the Expense Account.

Since the loss or gain affects the Capital Account, the account for Loss and Gain must be closed into Capital. Examine this account. Debit represents the loss; Credit represents the gain. The Credit being the larger, represents a net gain. Write the amount of gain in red under the lesser side; rule and total the account. Transfer in black ink this net gain to the credit side of the Capital Account. The Credit of Capital Account now exhibits the investment and the gain; the debit side represents the withdrawals. The difference between the two sides, called the Present Worth or Net Capital, is the same as shown by the closing Statements. Write the amount of Net Capital on the lesser side in red, rule and total the account, and bring the Net Capital down on the credit side in black. This balance represents the amount due by the business to the proprietor. The Ledger is now said to be closed.

19—

STUDENT.

19—

June 29 30 Present Worth	J 2 50 # 3206 25	June 1 30 Loss and Gain	J 1 3000 4 256 25
	3256 25		3256 25

June 30 Balance 3206 25

19—

EXPENSE.

19—

June 3 6 15 30	J 1 2250 1 325 1 750 2 3250 2 3000	June 30 Inventory Loss and Gain	# J 15 # 4 8075
June 30 Inventory	9575 8075		9575

MARITIME DOUBLE ENTRY.

19

19—		MDSE.		19—	
June	4	J	1 1000	June	5
	8		1 720		9
	12		1 1250		10
	30 Loss and Gain	# 4	337		16
					24
				30 Inventory	# 1500
			3307		3307
June 30	Inventory		1500		

19—		LOSS AND GAIN.		19—	
June	30 Expense	4	8075	June 30	Mdse.
	Net Gain	# 1	25625		4337
			337		337

RED INK.

The Cash and Bank Accounts should be balanced, by placing the difference in red under the lesser side and ruling and totalling. If there are any accounts, the two sides of which are alike, rule off and total. Leave the others open, as they are.

After closing the books, make calculations for the next period of business, judging of the future by the past records. Notice Merchandise Account. The profit is on the **turn-over**, that is, on the goods actually sold. In figuring the per cent. of gain, the estimate should not be made on the total cost, but only on the cost price of the goods actually sold. This cost is found by deducting the inventory from the total cost. The difference between this amount and the sales would be the gain, which is a percentage of the cost. By dividing the gain by the cost, the rate per cent. would be expressed decimals in the quotient.

Compare also the expenses with the sales, in order to find the rate per cent. which the losses are of the sales. Note that no allowance has been made for Proprietor's salary, which accounts for the small percentage.

Refer to the Capital Account. What rate per cent. is the gain of the investment? This may seem like a large sum, but then there have been no allowances made for insurance, loss by bad debts, fluctuations of the market and many other things.

Exercise: Journalize, post and take a Trial Balance for following:

- Sept. 1/08 Proprietor invested \$1500 Cash. Deposited in Bank \$1450.
 2 Paid by cheque a month's rent, \$22.50.
 3 Paid in Cash telephone rent, \$7.50.
 4 Bot. by cheque Mdse. invoiced at \$725.
 5 Sold for Cash goods valued at \$310.
 8 Bot. for Cash coal for store, \$15.00.
 9 Sold Thos. W. Day on his cheque, goods for \$180.
 10 Paid clerk's salary in Cash, \$12.00.
 11 Bot. goods, invoiced at \$615. Gave cheque in payment.
 12 Paid for postage and telegrams, \$1.25 Cash.

MARITIME DOUBLE ENTRY.

- 14 Paid \$2.25 Cash. for having goods insured.
 15 Bot. goods valued at \$450, paying Cash.
 16 Proprietor took \$50 Cash for private use.
 17 Paid Maritime Transfer Co. by cheque, for freight and truckage, \$12.50.
 18 Sold for Cash goods valued at \$525.
 19 Paid Cash for office books, pens, inks, etc., \$22.50.
 21 Goods sold on 12th were not as represented, and refunded to purchaser \$15 by cheque.
 22 Paid for office desk and letter press, \$47.00 Cash.
 23 Sold for Cash goods worth \$510. Deposited in Bank, \$900
 24 Bot. by cheque goods valued at \$485.
 25 Paid advertising bill in Cash, \$17.50.
 26 Sold goods for \$225 Cash.
 28 Paid for city directory, \$3.50 Cash.
 29 Sold for Cash goods, \$175. Deposited in Bank \$400.
 30 Paid clerk to balance account to date, \$18.00 Cash.
 Proprietor took for private use \$23.50 Cash

Inventories:

Mdse.	\$745.00
Expense	90.00

Make out a Loss & Gain Statement.

Prepare a Statement of Resources & Liabilities.

Open a Loss & Gain Account.

Close all Ledger accounts.

If your work is your neatest and you believe it to be correct, present it to your teacher for inspection. If it is not your best, copy it and save yourself the humiliation of having him send you back to make a respectable copy.

BUSINESS FORMS AND PRACTICE.

At the beginning of each chapter will be found definite instructions to the Student in proceeding to work out practically—that is, handling the currency and all commercial documents called for in an actual business office; also models of any new forms to be used in working that set.

Signatures.

A first requisite to secure remunerative office employment is a free, plain, and legible style of handwriting. Adopt a definite signature and adhere to it. Let your style of handwriting in your signature be the same every time. Do not one time say: J. V. Dodds; then next time say: J. Victor Dodds; then the next time: James V. Dodds.

If you are an employee of a firm and required to sign the firm's name, the firm should issue to you a Power of Attorney. Then sign thus:

Hines & Miller,

per W. P. Potter, Atty.

If it is a Limited Company, and you are the officer qualified to bind the company, sign thus:

The R. R. Hickman Co., Ltd.,

per C. R. Manning, Secy.

Let all work be your neatest. Acquire a good habit and it will stick to you. Never pass to your teacher for his approval anything but your best work. He gives you his best and expects as a bookkeeper your best in return, which, though different from his, he will consider as "an exchange of equal values."

Banking.

A Bank means "an incorporated bank or savings bank carrying on business in Canada." (B. E. Act 1890).

Both the Federal and Provincial Companies' Acts require all companies organized by the authority of said acts to do their banking business with a chartered bank as above defined. It is prudent for individuals to follow this legislative requirement and deposit all cash not required for immediate use in a Bank, and as far as possible, make all payments by cheque.

When you have decided with which Bank you prefer to do your business you will arrange your money in order, all of one denomination together and from lowest to highest, and make out a Deposit Slip as shown on p. 22, having of course learned from the manager of the bank if it is agreeable to his Bank that you should open an account with it. You will hand this slip and the money to the Receiving Teller, who, if it is correct, will initial the slip and pass it to the Ledger Keeper. The Ledger Keeper now opens an account for you in his Ledger and gives you a Bank Pass Book (see sample page in which he gives you credit for your deposit.)

STUDENTS' BANK

In account with *J. J. Eckerstey*

DATE 1908	Particulars	L. K. Initials	CR.	DR.	DR. or CR.	BALANCE
Sept. 1	Dep.	J.	2000			2000
3	"	J.	800			2860
5	Ck. 1			500		
8	" 2			150		
12	" 5			62	50	
15	Dis .	J.	361 22			2448
16	Ck. 6			832		72
20	" 4			37	50	
24	Col.	J.	249 69			1828
30	Dep.	J.	189 09			91
	Ck. 3			100		2018
	" 8			18	50	
	Balance			1899	50	1899 50
			3600 00	3600 00		
Oct. 1	Balance	O.	1899 50		Cr. 1899 50	

This book is your receipt book for amounts paid to the bank, and you must never make any entry in it. If you ever discover an error have the Bank Clerk make the necessary correction. Each time you deposit money or sell to the bank any negotiable paper, present your Pass Book to the Ledger Keeper, and receive credit. At the end of each month leave your Pass Book with the Ledger Keeper that he may charge you with all cheques which you have drawn and which have been presented for payment.

The money you have to your credit is subject to your cheque. That the Paying Teller may be sure it is your signature to the cheques that are drawn against this account, you will be asked to sign the Signature Book or Signature Card which will be kept on file at the bank.

The Students' Bank

Riverport, N.S., Aug. 10, 1908

Credit J. Kenneth Lohnes

with

One thousand one hundred ~~xx~~^{xx} Dollars

Deposited by I. E. Best

BILLS	LOCAL CHEQUES
1	
2	64 55
4	
20— 5	100
15— 10	150
5— 20	100
3— 50	150
5— 100	500
500	1000
1000	
GOLD - - -	
SILVER - - -	
REMITTED	Commission
35 60	15
	35 45
	1100 00

What Journal Entry should Mr. Lohnes make for this transaction?
Why?

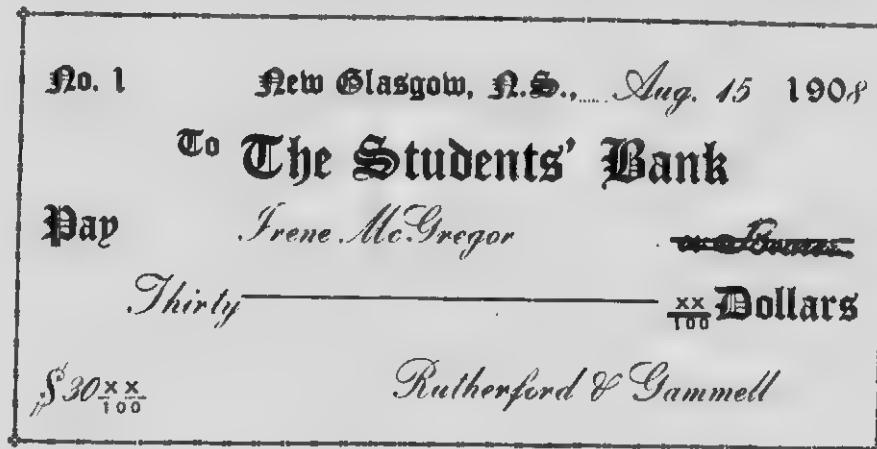
Exercise 1. Use a form and make out a Deposit Slip for the following:
Deposited today by M. L. Cleland to credit H. M. Chipman: 6—1's, 3—2's,
2—4's (only the Dominion Government has power to issue notes under \$5;
incorporated banks must issue their notes in 5's or multiples of 5), 10—5's,
6—50's, 4—100's, 70 cents in coin.

Exercise 2. You deposit today to the credit of Henderson & Kempton:
10—1's, 20—2's, 8—5's, 10—10's, 3—50's, 2—100's, 50 cents in coin, also cheques

on the Students' Bank drawn by other persons in favor of the depositor as follows: \$65.16, \$18.37, \$16.47. Present these deposit slips to the bank for approval.

All deposits and other credits given to you by the bank are to be entered on the stub of your cheque book and added to the balance. Do not forget this, or you cannot prove your account with the bank.

"A Cheque is an unconditional order in writing, addressed by a person to a bank, requiring the bank to pay, on demand, a sum certain in money, to, or to the order of, a specified person, or to bearer." (B. E. Act 1890).



In writing a cheque the stub should first be filled in and the amount of the cheque deducted from the balance shown. Remember to do this every time, so that you will not overdraw your account at the bank.

Rutherford & Gammell are the **Drawers** of this cheque. Miss McGregor is the **Payee**. Notice that the drawers have not said what debt the \$30 discharges. We may, therefore, consider it is a payment on account, but it may be applied by the payee to any particular debt due to her by the drawers. Had the drawers wished this to operate as a discharge for any particular debt such as Rent, they could have added on a line below the amount, "rent for month ending Sept. 30, 08," or "for invoice of 20th inst.," etc. Observe further that the drawers have drawn the pen through the words "or bearer." Doing this has made the cheque payable to the order of the payee. When a negotiable instrument is made payable to or to the order of a specified payee it cannot be negotiated, nor will the bank pay it until the payee has indorsed it, i.e., has written her name on the back of same.

When indorsing a negotiable document the transferer's signature should be written across the left end of the back. The signature alone is sufficient. If it is deemed prudent the indorser may state to whom the document is passed. Suppose Miss McGregor wishes to pay A. B. Wilson \$30. She may write simply her signature on the back of the cheque or she may write:

MARITIME DOUBLE ENTRY

Pay *A. B. Wilson.*

Irene McGregor

Aug. 16 08.

Miss Wilson now is the owner of the cheque, and may present it to the bank for payment or indorse it to some other person.

Observe that since the cheque is payable to Miss Wilson her property in it does not pass until she indorses and delivers it.

A cheque need not necessarily be made payable to a person. It may be payable to a fictitious person, such as, Postage, Duty, Expense, etc. When it is so payable it is said to be payable to Bearer, and in order to pass the property in the cheque it is not necessary to indorse but simply to deliver it.

What was the proper Journal Entry for the Drawers of the above cheque? Of the Payee when she received it? Of the Payee when she indorsed it to Miss Wilson? Of Miss Wilson when she received it?

Ex. 3. W. J. Perry draws a cheque for \$123.50 in favor of G. M. Murphy in payment of a Unique Typewriter.

Ex. 4. H. E. Crowell draws a cheque in favor of Echo's Fresh Air Fund for \$5.00.

Ex. 5. Miss Murphy wishes to deposit her cheque in Maritime Bank, and indorses it in favor of that bank. Show cheque ready for deposit.

Ex. 6. W. D. Williams, Treasurer of Echo's Fund, presents No. 4 at the bank and requests the cash. Show proper indorsement.

At the end of each month you will prove your bank account, and if you find the bank's report correct you will sign a Cheque Release (see below) and get back all cancelled cheques.

CHEQUE RELEASE

Sydney Mines, N.S., October 1, 1908.....

Sir:

I hereby acknowledge receipt of vouchers and confirm the statement of ... my... account with the STUDENTS' BANK at this date, the balance being

Eighteen Hundred . Ninety nine . *50 Dollars*
100
in my.... favor.

TO

**MANAGER STUDENTS' BANK,
SYDNEY MINES, N.S.**

E. E. Partridge

MARITIME DOUBLE ENTRY.

25

MISCELLANEOUS FORMS.

A Receipt is a written acknowledgment for money. It is not absolute evidence that a debt is paid in full. It may be a general receipt or one for a particular debt.

Parrsboro, N.S. Aug. 22 1908	
Received from <i>J. P. Elderkin</i>	
One Hundred and Twenty-five ————— 00 Dollars 125 00 Cash	
32 50 Disc't	for invoice of the 18th inst.
\$ 825 00	<i>C. A. Cochrane</i>

Mr. Cochrane has evidently allowed Mr. Elderkin a 2% discount on a debt of \$125.

Ex. 7. If in Ex. 3 the price of the typewriter was \$130 less 5% for cash, show the receipt.

Ex. 8. Show the receipt for cheque given by Rutherford & Gammell if it was in full for September rent.

ORDER SHEET

Port Williams, N.S., July 25 '08.

Mr. Leo. P. Duggan,

Halifax, N.S.

Please send me the following goods via..... **D. A. R.**

QUANTITY	ARTICLES WANTED
4 bbls.	Family Pilot
10 bxs.	Cream Sodas
4 "	Fruit Biscuit
10 "	Assorted Chocolates

Stanton R. Foster.

MARITIME DOUBLE ENTRY.

Examine carefully the foregoing order. Note the shipping directions, also that it is signed by Mr. Foster.

Ex. 9. Smith & Cameron, Port Hood, today ordered of O'Brien & Millidge, to be shipped per S.S. Breton Queen, 15 bbls. Excelsior Flour, 3 bbls. Granulated Sugar, 1 puncheon Molasses, 1 doz. Corn Brooms, 3 half chests Sovereign Tea.

Ex. 10. Smith & Wickwire receive an order from Ellis G. Gates of Blandford, dated yesterday, to be shipped per Students' Railway, 4 cases Little Chief Peas, 3 cases Little Chief Beans, 10 bags Acadia Granulated Sugar, 50 1-lb. pkgs. Sovereign Tea.

A **Bill of Lading** is an acknowledgment signed by the agent for, or an officer of, a transportation company containing an itemized list of goods received by said officer, with a promise to deliver them at a given place on payment of the freight, as directed. These are usually in triplicate; one for consignor, one for consignee, and one for the transportation company.

Students' Railway of Canada

Onslow, N.S., Sept. 10 1908

Received from..... P. D. Hill

the undermentioned property, in apparent good order, addressed to

H. B. McDougall,

West Gore, N.S.

to be forwarded by this Railway subject to the conditions and regulations printed on reverse side:

MARKS	DESCRIPTION
H. B. McDougall,	1 cs. Pickles
West Gore,	3 bbls. Sugar
N.S.	2 bgs. Salt

Wm. McConnell
Agent.

Examine carefully the above.

Ex. 11. Make out and present to Teacher for signature a B/L for No. 9.

Ex. 12. Also a B/L for No. 10.

MARITIME DOUBLE ENTRY.

27

An **Invoice** or **Bill of Goods** is an itemized statement of goods sold showing quantity and prices of articles sold.

Halifax, N.S. September 3, 1908

Mr. Lorne G. Marks,

Ship Harbor, N.S.

BOUGHT OF

GUY W. THOMAS
PUBLISHER AND DEALER IN SCHOOL TEXTS, ETC.

TERMS 5/15, n/30

10 Maritime S. E. Texts	.25	250	€
10 sets " S. E. Blanks	.25	250	

Less 25%		500	
		125	375
3reams Boar's Head Cap	1.80	540	
Less 20%		108	432
1 case		25	
		832	
Schr. R. L. Borden,			

Rec'd Payment

Halifax, N.S.

Sept. 10, 08.

Guy W. Thomas

per G. V. S.

The expression 5/15 means if the purchaser pays within 15 days from date of purchase, 5% will be deducted from the amount of the purchase; n/30 signifies that the net amount due in 30 days is the total of the bill.

Ex. 13. Make out following invoice:

L. A. Caldwell, Halifax, sold to and shipped per rail to C. M. Benjamin Gaspereaux, terms 2 10, n 30 ds.: 3 bbls. Cream Soda, 2 65, 67, @ 7c., 4 bxs. XXX Soda, 2/30, 29, 31, @ 7c., 1 bx. Fruit Biscuit, 39 lbs. @ 8½c., 40 gross Penny Goods @ 85c., 1 bbl. Summer Mixture, 290 lbs., @ 7½c.

Ex. 14. Make out a Bill of Lading for No. 13, and present it to Teacher for signature.

MARITIME DOUBLE ENTRY.

Statement of Accounts are accounts periodically rendered to debtors, showing the dates and amounts of all dealings both debit and credit, since last settlement.

		Halifax, N.S.	Aug. 31, 1908
<i>Mr. John A. MacDonald,</i>			
Glassburn, N.S.			
IN ACCOUNT WITH THOMAS W. HUBLEY DEALER IN PIANOS, ORGANS AND MUSIC, ETC.			
July 5	Mdse.	4750	
29	do.	5395	
Aug. 17	do.	4065	
28	do.	3597	17807

		Cr.	
July 30	Cash	10145	
Aug. 20	Freight allowance Aug. 17	378	10523

		7284	

Ex. 15. M. E. Dickson, Halifax, on Sept. 30/08, rendered to M. E. Densmore, Maitland, the following statement: July 10, to Mdse., \$107.60; July 20, to Mdse., \$96.45; July 30, by Cash on account, \$50; Aug. 5, to Mdse., \$75.90; Aug. 8, by Goods returned, \$10; Sept. 16, to Mdse., \$20.05; Sept. 25 by Note at 30 days, \$90.

Ex. 16. A. R. Gallagher, Port Dufferin, received a statement to Oct. 31/08 from M. L. Smith, Halifax: Aug. 3, to Mdse., \$75.40; Aug. 20, to Mdse., \$43.60; Sept. 1, by 60-day note, \$119.00; Sept. 25, to Mdse., \$35.40; Sept. 30, by Goods returned, \$5.40; Oct. 4, to Mdse., \$75.25; Oct. 18, to Mdse., \$19.75; Oct. 28, by Cash, \$25.

BILLS RECEIVABLE AND PAYABLE.

When persons by honesty, thrift, prudence and economical habits have acquired a good name with business firms they can obtain credit from other persons or give in payment of their debts written promises to pay at some future time.

MARITIME DOUBLE ENTRY.

20

Suppose Jas. A. Gass, Londonderry, buys from Almon Spencer, Noel, farm produce valued at \$730, which is to be paid for in three months. He may give in payment his written promise, thus:

\$730 xx 100	No. 4 Due Nov. 28, '08
Londonderry, N.B., Aug. 25, '08	
Three months after date I promise to pay	
to the order of Almon Spencer	
at his office, Noel, N.B.	
Seven Hundred Thirty xx Dollars for value received.	
Jas. A. Gass	

Such promises are known as **Promissory Notes**. Such a promise to be valid must be "An unconditional promise in writing made by one person to another, signed by the maker, engaging to pay, on demand or at a fixed or determinable future time, a sum certain in money, to, or to the order of a specified person, or to bearer." (B.E. Act 1890).

Writing includes words printed, painted, engraved, lithographed, or otherwise traced or copied.

A person's **Signature** may be his name, his mark, or his trade name. It may be in pencil, but ink is preferable. If he cannot write he may make some distinctive mark which must be witnessed by some neutral person, thus:

Prudence Wyse,
Witness.

his
I. B. X IDLER.
mark

There are only two parties to this contract—the **Promisor** or **Maker** (Jas. A. Gass) and the **Payee** (Almon Spencer) in whose favor the promise is made.

When no time of payment is expressed, a note is said to be payable on **Demand**.

The Act provides that **Days of Grace** (three in Canada) shall be, when the note is not payable on demand, added to the time specified. The note matures on the last day of grace. The term month in a note means calendar month.

"Every bill which is made payable at a month or months after date becomes due on the same numbered day of the month in which it is made payable as the day on which it is dated, unless there is no such day in the

MARITIME DOUBLE ENTRY.

month in which it is made payable, in which case it becomes due on the last day of that month, with the addition, in all cases, of the days of grace."

A note is payable to Bearer (person in possession of it):

- (a) When it states it is payable to bearer.
- (b) When the payee is a fictitious or non-existing person.
- (c) When the only or last indorsement is in blank.

No persons, except chartered banks, have permission to issue notes payable to bearer intended to circulate as money. When no particular place of payment is specified, a note is said to be payable generally. It is considered an act of business courtesy for the holder to notify the promisor a few days prior to the maturity of the note when it will mature, where it will be at maturity, and such other facts as may be useful.

Besides being a written acknowledgment of Gass' indebtedness this document has another value. It is a negotiable document. That is it does not contain any stipulation that the payee shall not pass it to another person for value.

Mr. Spencer, if he desires the ready money before maturity date, November 28, 08, may sell it. If he sells it he will have to indorse it and deliver it to the indorsee.

An indorsement to be valid must be:

- (a) On the note.
- (b) Signed by the transferer.
- (c) For the entire note.

If the bank were the purchaser of this note, Mr. Spencer would fill out a Discount Slip, thus:

STUDENTS' BANK

BILLS DISCOUNTED FOR *Almon Spencer*

Noel, N.S., Oct. 31, 1908

No.	WHEN	DUE	PRINCIPAL	INTEREST	AMOUNT	DAYS TO RUN	DISCOUNT	PROCEEDS			
								2	80	727	20
4	Nov.	28	730 00	—	730 00	28					

His indorsement on the back of the note and across the left end would read thus :

Pay Students' Bank,
Almon Spencer.

*Noel, N. S.,
Oct. 31/08.*

If Mr. Spencer has an account with this bank he will present his Pass Book and receive credit for the proceeds; if not, he will receipt the Discount Slip.

To the Maker such promises are known as **Bills Payable**. To the Payee and the Indorsee they are known as **Bills Receivable**.

Mr. Gass' Journal Entry would be:

Mdse	\$730
------	-------

Bills Payable	\$730
---------------	-------

Mr. Spencer's would be:

Bills Receivable	\$730
------------------	-------

Mdse.	\$730
-------	-------

If Mr. Spencer sells this promise his entry will be:

Cash or Bank	\$727.20
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Interest & Discount	2.80
---------------------	------

Bills Receivable	\$730
------------------	-------

If he keeps it till maturity and receives payment of it his entry will be:

Cash	\$730
------	-------

Bills Receivable	\$730
------------------	-------

What entry should Mr. Gass make when he pays his promise on maturity day?

Observe the difference in the reading of the following note from Mr. Gass':

\$275 $\frac{xx}{100}$	No. 15	Due Nov. 7, '08
Waverley, N. S., Aug. 26, 1908		
Seventy days after date I promise to pay to the order of J. Brenton Sabeau —————— at Students' Bank, Liverpool, with interest —————— Two Hundred Seventy-five —————— $\frac{xx}{100}$ Dollars for value received.		
<i>Louis C. Forbes</i>		

When a note is first delivered to a Holder (owner) complete in form and for value, it is said to be Issued.

"A sum certain" may be: A definite sum, as \$100; a given sum with interest, as \$100 and interest at any % (but always 5% when no rate is stated); a given sum though payable in instalments, as \$100 in sums of \$10 each month.

The Legal Rate of Interest in Canada is 5%. If the maker specifies any other rate it will be collected.

MARITIME DOUBLE ENTRY.

The real difference between the promise of Mr. Gass and that of Mr. Forbes is that Mr. Gass' promise is not worth to the Holder \$730 (face value) until the day of maturity, while Mr. Forbes' is worth to the Holder \$275 (face value) the day of its issue. The next day it will be worth \$275 and one day's interest; the next \$275 and two days' interest, and so on.

Give the Journal Entry of the Maker on the date of issue, and on date of payment of Mr. Forbes' promise.

If this note was on account, what Journal Entry should the Payee make when he received it? Why say nothing about the interest now? What would his entry be at maturity when he gets the principal and interest?

BILL BOOKS.

Below will be found conveniently ruled Bill Books. These may be, and frequently are, used as books of original entry; that is, the posting is done directly from these entries to the proper Ledger Accounts.

Follow carefully the entries for the following transactions

Example:

Sept. 3/08 Sold to E. I. Fox, Valley, on her note at 10 days, payable at my office, goods for \$125.

5 Bought of Joseph Cohen, Oxford, an office safe on my note at one month for \$125, payable at his office.

8 Gave M. Patterson, Kennetcook, my 60-day note for \$150, with interest at 6% to apply on account, payable at my office.

15 A. J. Kennedy indorsed to me to apply on her account the 30-day note of J. A. MacDonald, Glassburn, in her favor for \$110, dated Sept. 10/08, and payable at Students' Bank, Antigonish.

BILLS									
No.	When Given 1908	On Whose Account	Folio	Purchase Discount	Amount	Drawee or Maker	Drawer or Endorser	In Whose Favor	Place of Payment
1	Sept	5 Expense	8		25.00	Student			
2		8 M. Patterson	4		150.00	Student		Joseph Cohen M. Patterson	his office my office
		30 B. Payable, Cr	10		275.00				

BILLS									
No.	When Rec'd 1908	On Whose Account	Folio	Sales Discount	Amount	Drawee or Maker	Drawer and Endorser	In Whose Favor	Where Payable
15	Sept	3 Medise	3		125	E. I. Fox			
7		15 A. J. Kennedy	16		110	J. A. MacDonald	A. J. Kennedy	Student A. J. Kennedy	my office Student Bk
		30 Bill Rec'd, Dr.	12		235				

Exercise.—Rule Bill Books and enter the following:

Aug. 1/08 Gave M. B. Fillmore, Oxford, to apply on account, my \$300 note, payable in one month at my office.

MARITIME DOUBLE ENTRY.

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- 3 M. J. McCurdy, Onslow, gave me her note payable in 3 months at Farmers' Bank, Truro, from 5th inst., for \$175 for a second-hand cash register sold her today.

N.B.—Your written promises to pay may be postdated or antedated.

- 5 Sold L. A. Black, Amherst, on her 6% interest-bearing 90-day note, payable at my office, one car of apples for \$550.
- 6 Bought of W. S. Charlton, Middleton, a delivery horse for \$150. Gave in payment my 30-day note payable at Students' Bank, Halifax.
- 10 On July 31/08, F. O'D. Grim, Springfield, gave V. W. Parrish a \$365 note payable in two months from date. Today Mr. Parrish indorses it to me to apply on his account. He allows me \$2.70 discount.

N.B.—In entering this note in the Bill Book enter it at face value. Never change the face of a note. You make the allowance for discount or interest somewhere else as in the Journal or Cash Book as the circumstance may require.

You will have Ledger Accounts with Bills Receivable and Payable. When your posting is complete you can prove the balance of the Bills Receivable account by totalling the unpaid notes you have in your possession. You may prove your Bills Payable account by the cancelled or redeemed notes you have as vouchers.

Some persons do not issue cheques in payment of their written promises which they have made payable at their bank. They, by written agreement with their bank, agree that all written promises which they issue payable at that bank shall operate as cheques against their account on maturity day.

PAYABLE													When and How Disposed of		
Place and Date	Accepted	TIME		WHEN DUE										When and How Disposed of	
		Sight	Date	Year	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	
Hx. Sept. 5 Hx. Sept. 8				1 mo 60 ds.											

RECEIVABLE													When and How Disposed of		
Place and Date	Accepted	TIME		WHEN DUE										When and How Disposed of	
		Sight	Date	Year	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	
Valley Glaumburn	Sept. 3 Sept. 10			10 ds 30 "											

Remember the bank has no authority to, and will not pay your written promises without a written agreement to that effect, therefore, be sure and issue your cheque for each as it matures unless you have made proper arrangements.

RULES FOR JOURNALIZING.

The relation of debit and credit having been clearly illustrated, and the definite rule that in Double Entry where a transaction calls for a debit there must be a corresponding credit, the student may find the following rules of considerable assistance in Journalizing:

Proprietor's Account.

DEBITED with	CREDITED with
All liabilities assumed by the business.	All investments in the business at commencement or at any subsequent time.
All sums withdrawn from the business.	Net Gain on the business.
Net Loss on the business.	

Personal Accounts.

DEBITED	CREDITED
When persons get into our debt.	When we get into their debt.
When we get out of their debt.	When they get out of our debt.

Property Accounts.

DEBITED	CREDITED
When we become owners of such things as Cash, Mdse., Buildings and Lands, Furniture, etc.	When we dispose of the ownership of such things for value.

Our Written Promises.

DEBIT	CREDIT
Bills Payable if we redeem a written promise either at or prior to maturity.	Bills Payable when we issue a promissory note.
Mortgage Payable if we redeem a mortgage on our property.	Bills Payable if we accept the written order of our creditor.

Mortgage Payable if we borrow money on credit of our Real Property by giving a mortgage.

Written Promises of Others.

DEBIT	CREDIT
Bills Receivable when we receive the promissory note of another.	Bills Receivable when a written promise which we hold is redeemed either at or prior to maturity.
Bills Receivable when we receive the acceptance of a draft in our favor.	Mortgage Receivable when a Mortgage is redeemed or assigned to another.
Mortgage Receivable if we take as security a mortgage on the Real Property of another.	

Expense Accounts.

DEBITED	CREDITED
For all payments or liabilities incurred for such outlays as Salaries, Rents, Insurance, Advertising, Fuel, Light, etc.	When any of these items by sale produce value.

Allowances.

DEBITED	CREDITED
For all payments or liabilities incurred for such things as Commission, Interest and Discount, Sales Discounts, etc.	For such values as may be allowed to us by others for Interest and Discount, Purchase Discounts, etc.

INSTRUCTIONS FOR JANUARY.

The Student having completed, to the satisfaction of the teacher, the previous exercises will now be assigned a price list which will be the same for January, February and March, and given the cash to begin Business Practice.

Note—The sets following may be worked theoretically, but they are intended to be worked practically, and all teachers should endeavour to have them worked thus, that their students may secure the full benefits of the varied and practical transactions. The Author will be delighted to assist teachers to arrange their work so as to secure the best results.

These three months, devoted to the Flour and Feed Business, are designed to familiarize the student with the general principles of bookkeeping. The system used in the month of January requires all transactions to be made in the Journal from which they are posted to the Ledger. The Journal is, therefore, the only book of original entry. Use your bound Journal.

The Bill Books will be kept, but as auxiliary books only, that you may readily see what notes are maturing each day. If ever you are in doubt about what entry should be made for any given transaction, do not ask your teacher what entry should be made, but ponder over the transactions, then in your exercise book make the entry that appears to you as correct and submit it to your teacher for approval.

Invoices are to be made out for every purchase and sale of goods during these three months. Hand to the Clerk of the Exchange those for your customers. File for future reference those of the goods you buy.

To facilitate your work make out at home your invoices both buying and selling, and have them examined as soon as the Exchange is opened for business.

Remember to itemize every sale in your Journal. Your customer may at some future time desire a duplicate invoice or ask you to duplicate his order of a given date without specifying what articles or quantities he wishes.

In recording your purchases it will not be necessary to itemize them, for you have your invoices on your file.

MARITIME DOUBLE ENTRY.

The Clerk of the Exchange is to Student the person whom he is dealing with in every transaction. Receipts are to be given and required for every receipt and disbursement of cash. All promissory notes, Bills Receivable and Payable, are to be written by the Student. The Student will sign his own name to all Bills Payable as Maker. To save time the Student will fill out all incoming documents, but must always present to the Clerk of the Exchange for signature all Bills Receivable, Cheques and Receipts from the firms with whom he is transacting the business. The cheques, notes, and receipt forms he issues to others he will take out of the front of his book of forms, being careful to fill in the stub of each one. The forms he uses for incoming ones he will take out of the back of the book.

Having been assigned a price list make for convenience a copy thus:

Price List No. 26.		
Buying.	Article	Selling
\$1.50	Beans	\$1.70
.75	Bran	.90
.12½	Clover	.16¾
37½	Coin	.40
	etc.	

The expression 12¹ means 12½c; 12², 12½c; 12³, 12¾c.

Let all your work be neat and accurate. Record each transaction in the order given, being always sure to do the business, then make your record. During this month present to Teacher on the 6th, 23rd and 31st your books for approval.

PRICE LIST —JANUARY- FEBRUARY AND MARCH.
BUYING.

		SELLING.	1	2	3	4	5	6	7	8	9	10
1.50	Beans	2.00	1.85	2.05	1.75	2.10	1.90	1.70	1.80	1.65	1.95	
.75	Bran	.97	1.05	1.10	.90	.95	1.02	1.07	.87	.92	1.00	
.12½	Clover	.16	.19	.16	.20	.17	.18	.17	.19	.15	.18	
.37½	Corn	.40	.45	.41	.46	.42	.47	.43	.48	.44	.49	
2.50	Cornmeal	2.75	3.15	2.55	3.35	2.85	3.05	2.65	3.25	2.95	3.45	
4.90	Flour	5.70	5.30	5.90	5.10	5.60	5.40	5.80	5.20	5.50	5.00	
.90	Middlings	1.15	1.07	1.02	1.22	1.17	1.10	1.05	1.25	1.20	1.12	
4.75	Oatmeal	4.90	4.94	4.91	4.95	4.98	4.92	4.96	4.99	4.93	4.97	
.33½	Oats	.34	.40	.32	.42	.30	.44	.36	.46	.38	.48	
1.10	Peas	1.25	1.40	1.20	1.50	1.15	1.35	1.55	1.45	1.50	1.30	
.37½	Potatoes	.56	.50	.58	.48	.60	.46	.54	.44	.52	.42	
4.25	Rolled Oats	4.60	4.56	4.59	4.55	4.52	4.58	4.54	4.51	4.57	4.53	
.03½	Timothy	.08	.05	.07	.04	.07	.05	.06	.04	.08	.06	
.75	Wheat	1.00	.95	.99	.94	.98	.93	.97	.92	.96	.91	
	Investments	\$1200	1350	1500	1250	1550	1400	1600	1300	1650	1450	

NOTE.—The author has price lists for 25 different students. Schools having more than 10 students working at one time can procure additional ones from the author.

TRANSACTIONS FOR JANUARY.

- Jan. 1. Commenced the Flour and Feed Business by investing Cash \$.....
(See your price-list). Deposited in Students' Bank, \$1000.
2. Rented from E. Kaulbach suitable premises at 73 Maritime Square, at the rate of \$50.00 per month, payable in advance. Paid first month's rent by cheque.
3. Engaged Ingram C. Banks as clerk at \$30 per month.
3. Bought of A. & W. MacKinlay, Ltd., for cash, Office Stationery and Books, \$27.50.
4. Bought of H. F. Bethel, giving in payment my cheque:
50 bbls. Flour.
20 " Cornmeal.

MARITIME DOUBLE ENTRY.

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5. Sold for Cash to C. J. Hamilton:
20 bbls. Flour.
12 " Cornmeal.
Deposited in Bank, \$125.
6. Bought on account from the Maritime Milling Co.:
75 bbls. Flour.
25 " Cornmeal.
4500 lbs. Middlings.
1500 " Bran.
8. Bought on account from D. Markley, Office Furniture per bill,
\$37.50.
9. Sold on account to W. M. Miller, City:
40 bbls. Flour.
15 " Cornmeal.
10. Paid by cheque Telephone Rent in advance, \$22.50.
Sold for Cash to Reginald W. McColough:
18 bbls. Cornmeal.
10 " Flour.
11. Sold on account to E. W. Giffin & Son, City:
20 bbls. Flour.
1600 lbs. Middlings.
12. Paid by cheque Maritime Milling Co., on account \$250.
13. Bought on account from W. B. Spencer:
40 bbls. Oatmeal.
25 " Rolled Oats.
15. W. M. Miller gave me his cheque for \$175 to apply on account.
16. Sold T. G. S.ville on his note at 10 days, payable at my office:
12 bbls. Flour.
3 " Oatmeal.
17. Cash Sales today, \$30.70.
Deposited \$125 currency and Miller's cheque.
18. Gave Maritime Milling Co. to apply on account my note at 5 days,
for \$200.
Sold G. Napier Smith on his note at 5 days:
12 bbls. Cornmeal.
3 " Rolled Oats.
19. Bought of Maritime Milling Co., on account:
100 bbls. Flour.
75 " Cornmeal.
 $\frac{1}{2}$ ton Bran.
20. Sold Rowlings Bros., city, on account:
40 bbls. Flour.
25 " Cornmeal.
1200 lbs. Middlings.
800 " Bran.
22. Sold W. M. Miller on account:
15 bbls. Oatmeal.
15 " Rolled Oats.
40 " Cornmeal.
15 " Flour.
23. Received from E. W. Giffin & Son to apply on account, their note
dated January 11, at 27 days for \$100.
24. Bought of Maritime Milling Co., on account:
1 ton Bran.
80 bbls. Cornmeal.

MARITIME DOUBLE ENTRY

25. Sold E. W. Giffin & Son on account:
 1600 lbs. Bran.
 40 bbls. Cornmeal.
 20 " Flour.
26. The maker of the note due today paid it by his cheque.
 Paid by cheque my note due today.
27. Bought of E. C. Malcolm on my 15-day interest bearing note:
 15 tons Hay @ \$9.50
 8 " Straw 3.00
29. Received cash for note due today.
30. Gave W. B. Spencer to apply on account, Cash \$75, my note at 20 days for \$100.
 Sold Rowlings Bros. on account:
 10 bbls. Flour.
 25 " Cornmeal.
 400 lbs. Bran.
31. Cashed Smith's cheque and paid clerk his salary for January in cash.

INVENTORIES.

Merchandise (at cost):
 35 bbls. Flour.
 25 " Cornmeal.
 1450 lbs. Bran.
 1700 " Middlings.
 22 bbls. Oatmeal.
 8 " Rolled Oats.
 15 tons Hay.
 8 " Straw.

Expense:

Office Books	\$20.00
Furniture	30.00
Telephone Rent paid in advance	18.75 \$68.75

Having completed the business transactions for January:

- 1st.—Leave your Pass Book at the Bank to be balanced.
- 2nd.—Count the currency in the Cash Box and learn from the Clerk if the amount is correct.
- 3rd.—Present your Journal and Bill Books to your Teacher for inspection.
- 4th.—Post to the Ledger and take a Trial Balance showing balances, not totals, for the various accounts.
- 5th.—Call at the Bank for your Pass Book. If the balance as shown by the Pass Book, the Stub of your Cheque Book, and your Bank Account in the Trial Balance, all agree, sign the voucher in your Pass Book and get from the Ledger Keeper of the bank your cancelled cheques.
- 6th.—Prove your Bills Receivable and Payable Accounts.
- 7th.—Make out a Loss & Gain Statement.
- 8th.—Make a Balance Sheet.
- 9th.—Present Nos. 4, 7 and 8 to Teacher for approval.
- 10th.—Close all Ledger Accounts affected by Loss and Gain.
 Remember all Inventories and Balances are to be in red ink, also all rulings. Totals and amounts brought down, are entered in black.
- 11th.—Open a Loss & Gain Account in the Ledger.
- 12th.—Close the Loss & Gain Account into your Capital Account.
- 13th.—Balance the Capital Account.
- 14th.—Present all books to your Teacher, who will initial them if they receive his approval.

INSTRUCTIONS FOR FEBRUARY.

The student having been familiarized with the general principles of bookkeeping as illustrated by Journal entries, for all transactions may be journalized, no matter in which book they are recorded, we now proceed to illustrate how the clerical labor may be lessened.

The **Sales Book** contains an itemized record of each sale made on account. Each entry should give date of Sale, the Purchaser's name, his address, the terms, and an itemized list of articles sold. Be sure that all is complete, for your customer may desire a duplicate copy at some future time. Trust to memory for nothing. Let your record of all business transactions be so complete that if you never return to the office your successor can read the complete history of the business in the entries you have made. This applies to all books of original entry.

Model Sales Book.

1908.	Yarmouth, N. S., 1908.		
Aug. 1. V. W. Parrish, Net Cash			\$287.50
Kingston, N. S.			
15 bbls. Oatmeal	@ \$5.00	\$ 75.00	
15 " Rolled Oats	5.50	82.50	
40 " Cornmeal	3.25	130.00	
5. G. R. Hennigar, 2/10, n/30.			30.70
Chester, N. S.			
12 prs. Dent's Gloves	@ 1.10	\$13.20	
5 only Silk Hats	3.50	17.50	
29. W. E. McQuarrie & Co., 2/30 ds.			
Stellarton, N. S.			18.00
20 only Maritime S. E. Bkg. @ .25	\$5.00		
20 sets " Blanks .25	5.00		
Less 20%	\$10.00		
	2.00	\$8.00	
1 only Webster Dictionary, net		10.00	
31. Merchandise, Cr.			\$336.20

In posting, debit each purchaser with the amount of his purchase, and at the end of the month credit Mdse. Account with the total of the sales for the month.

Hereafter you will omit from the Journal all sales of your Merchandise by entering them in the Sales Book and thus save much time in posting.

INTEREST AND DISCOUNT.

Interest is a charge made for the use of money or its equivalent.

Discount is an allowance made to a creditor in consideration of an obligation being paid before the time stipulated.

5% is the legal rate in Canada when no rate is specified.

These charges and allowances could be entered in the Expense Account, for you will note that you pay for the use of money as you pay for the services of your clerk; but we shall keep a separate account known as **Interest & Discount**, in which will be entered all debits and credits of this nature.

MARITIME DOUBLE ENTRY.

Note very carefully that when you pay interest you part with cash or its equivalent, and that when you collect interest from another you receive cash or some other value.

Therefore:

Debit Interest and Discount when you pay.

Credit Interest and Discount when you collect.

Ex. I paid P. M. Senelle \$5 for use of borrowed money. A. J. McElmon paid his account and \$1.85 extra as the account was overdue. L. G. Bishop paid her note and \$4.90 interest. I paid M. F. Harris \$6.10 in addition to the face value of an overdue note today. J. J. Christie, who held my note due in 60 days, offered to accept \$7.10 less than face value if I paid it today. I did so. L. A. D. Moore, who is removing from the province, wished to pay her note which I held, but which is not due for 90 days. I accept \$7.75 less than face value.

INTEREST AND DISCOUNT.

\$ 5.00		\$ 1.85
6.10		4.90
7.75		7.10
	Loss (red ink)	5.00
\$18.85		\$18.85

Why is the \$5.00, the difference between the two sides, a loss? Why is it not an asset? Since it is not an asset, this amount, \$5.00, will not be brought below the ruling. Where will you place it since you must have a like amount on the debit side of the Ledger?

Exercise.—E. M. Tulloch paid me her overdue account and \$1.85 extra. I paid A. McG. Sivright \$4.10 less than the face of a note which I discharged today. I offered to take \$3.25 less than the face of a note from A. M. Stromberg if she paid it today. She paid it. C. H. McMillan's note is due and \$2.30 interest. She pays all. I today return to M. M. Keith money I had borrowed and \$5.50 for the use of the same. Endorsed to E. S. Meisner, less \$1.60 for discount to maturity, the note of A. G. Larsen, which does not mature for some days.

I hold an interest-bearing note of A. A. Chisholm not yet due, but with \$3.80 accrued interest to date. Have I gained or lost on this account, and how much? Why is the \$3.80 an asset and brought below the ruling?

PROVING THE BANK ACCOUNT.

Rarely are all the cheques drawn during a month presented for payment during that month. It is wise to cash a cheque within a reasonable time after you receive it. The general rule is that it should be cashed or negotiated not later than the next business day after it is received by the holder.

When you receive your Pass Book after it has been balanced by the bank at the end of the month you should compare it very carefully with the stub of your Cheque Book. On the back of the stub of the last cheque issued make a memo thus:

MARITIME DOUBLE ENTRY.

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BANK RECONCILIATION STATEMENT.

Balance July 1/08	\$2013.50
July Deposits	1560.90
July Discounts	712.15
July Collections	115.00
	<hr/>
Cheques drawn	\$4403.55
	-046.75
	<hr/>
Balance per Cheque Book	\$356.80
Cheques out July 31/08:	
Nos. 18	\$35.60
26	1.50
29	106.40
	<hr/>
Balance per Pass Book	\$500.30

If you have completed the above exercises and your January work has been initiated by your teacher, proceed with the February transactions, which are a continuation of the January business.

TRANSACTIONS FOR FEBRUARY.

- Feb. 1. Received from Rowlings Bros., to apply on account, their interest-bearing note at one month, from January 20, for \$250.
2. Paid following bills:
January light bill, \$3.15 in cash.
Maritime Transfer Co., truckage to date, \$16.50, by cheque.
Rent for February, by cheque.
Engaged Randal A. McDonald as bookkeeper at \$35 per month.
3. Received from Clark Bros., Durham:
225 bus. Oats.
150 bus. Potatoes.
Paid freight in cash, \$17.50. (Debit Merchandise account.)
5. Gave Maritime Milling Co., to apply on account, my cheque for \$300, and a note at one month for \$500.
6. Sold George T. Firth, City, on account:
12 bbls. Oatmeal.
5 bbls. Rolled Oats.
15 bbls. Cornmeal.
7. Received from W. M. Miller, to apply on account, his \$125 cheque and his note at one month for \$250.
8. F. E. Saltman, Mahone, calls and purchases:
12 bbls. Flour.
7 bbls. Cornmeal.
30 bus. Oats.
He pays \$50 cash on account.
9. Bought of Maritime Milling Co.:
75 bbls. Flour.
50 bbls. Cornmeal.
20 bbls. Roiled Oats.
15 bbls. Oatmeal.

MARITIME DOUBLE ENTRY.

10. Received from E. W. Giffin & Son, Cash for note due today, and cheque for \$125 to apply on account.
Deposited Giffin's and Miller's cheques and \$250 currency.
12. Bought, f. o. b. here, of J. W. Westervelt, London, Ont.:
75 bus. Beans.
50 bus. Peas
13. Sold Rowlings Bros.:
8 bus. Beans.
5 bus. Peas
15 bbls. Flour.
12 bbls. Cornmeal.
5 bbls. Oatmeal.
14. Paid by cheque, note due with interest.
15. Sold W. M. Miller, on account:
12 bbls. Flour.
7 bus. Beans.
4 bbls. Rolled Oats.
16. Bought for cash of W. J. Hopgood & Son, empty barrels and bags for \$18.50. (Debit Merchandise Account.)
17. Bought of H. J. Stech, on account, set scales, \$27.50.
19. Sold F. E. Saltman:
18 bus. Potatoes.
5 bbls. Cornmeal.
5 bus. Beans.
1000 lbs. middlings
20. Remitted J. W. Westervelt, to apply on account, my cheque for \$100
21. Sold George T. Firth, on account:
15 bbls. Flour.
7 bbls. Rolled Oats.
Received from W. M. Miller to apply on account, \$120 Cash.
22. Paid in Cash note due today.
Paid D. Markley in full of account by cheque.
23. Received cheque of promisors for note and interest due today.
Deposited cheque of Rowlings Bros.
24. Sold Rowlings Bros. on account:
12 bbls. Flour.
15 bbls. Cornmeal.
5 bbls. Rolled Oats.
5 bus. Peas.
2 bus. Beans.
Received of George T. Firth, cash to apply on account, \$100.
26. Sold W. M. Miller, on account:
2 Bus. Beans.
9 bus. Peas.
6 bbls. Rolled Oats.
10 bbls. Oatmeal.
12 bbls. Cornmeal.

MARITIME DOUBLE ENTRY.

43

27. Sold Maritime Transfer Co., on account
 15 tons Hay, @ \$9.00.
 8 tons Straw, @ \$2.75.
 Proprietor withdrew from business in Cash, \$50
28. Sold F. E. Saltman, on account
 200 lbs. middlings.
 1200 lbs. Bran
 12 bus. Potatoes
 3 bus. Beans.
 8 bus. Peas.

Paid in cash clerk and bookkeeper for month's services.

INVENTORIES

Merchandise (at cost)

44 bbls. Flour.
 9 bbls. Cornmeal.
 48 bus. Beans.
 23 bus. Peas.
 250 lbs. Bran.
 500 lbs. middlings
 120 bus. Potatoes
 195 bus. Oats.
 10 bbls. Oatmeal.
 1 bbl. Rolled Oats.

Expense:

Office Books	\$15.00
Furniture	30.00
Telephone rent	15.00
Scales	25.00
	\$85.00

When you have completed the business transactions follow the instructions given at the end of January.

Exercise.—From the following information make out a Loss & Gain Statement and a Balance Sheet:

E. H. Steele, Capital Account	\$7000.00
Merchandise	\$1750.00
Bills Receivable	960.00
Bills Payable	459.90
Interest and Discount	27.50
A. P. Hebb	192.50
R. H. Publicover	605.00
R. S. Banks	875.00
G. L. Baker	310.15
A. J. Sears	400.60
Cash	3.25
Bank	1580.85
Expense	416.25
Real Estate	2350.00

Inventories:—Merchandise, \$2375. Interest due on Bills Payable, but not entered, \$7.50. Real Estate, valued at \$2300. Expense, safe, desks, etc \$262.50. Net Gain, \$386.25.

44
(Style A.)
1908.

MARITIME DOUBLE ENTRY.

Sept.		Cash Received.	
1	Charles Campbell	Invested	\$500.00
9	Mdse.	Cash Sale	18.30
11	Mdse.	" "	12.40
16	Sherman Bros.	on %	75.00
17	Mdse.	Cash Sale	51.95
19	Thompson & McElmon	on %	65.00
20	Mdse.	Cash Sale	83.96
23	Mdse.	McClellan Bros.	27.50
27	Sherman Bros.	on %	25.00
29	Mdse.	Cash Sales	160.50

30
Balance \$1019.61
\$15.00

(Style B.)
1908.

June		Cash Received.	
1	Student	Invested	\$2100.00
3	R. G. Annand	on %	125.00
4	B. Receivable	No. 6	145.30
9	R. H. Ernst	Inv. 30th ult.	125.00
11	Pur. Discout	H. E. Grice	10.75
13	Mdse.	Cash Sales	205.30

15
Balance \$2711.35
\$1976.22

(Style C.)
1908.

June		Cash Received.	Box.	Bank.
1	Student	Invested	\$2100.00	\$2000.00
3	R. G. Annand	Deposited	125.00	
4	Bills Receivable	on %	145.30	
9	R. H. Ernst	No. 6		270.00
11	Purchase Disc.	Deposited		
13	Mdse.	Inv. 30th ult.	125.00	10.75
15		H. E. Grice		
		Cash Sales	205.30	
		Deposited		300.00

June 15
Balances \$2700.60 \$2580.75
\$43.95 \$1932.27

(Style A.)
1908.

MARITIME DOUBLE ENTRY.

45

Sept. 1 Bank
Expense
Expense
3 Expense
5 Expense
8 Expense
12 Expense
15 Student
20 H. A. Amos
Bank
22 Expense
Student
27 Bank
30 Student
Bank

Cash Disbursed.		
Deposited	\$400 00	
Desk, etc.	28 00	
Stationery	9 50	
Blinds and Sign	20 00	
Rent for waggon	2 00	
Freight on Flour	23 10	
Stabling horse	5 00	
Private use	10 00	
on $\frac{a}{c}$	10 00	
Deposited	125 00	
Stabling Horse	1 00	
Private use	5 00	
Deposited	50 00	
Private use	25 00	
Deposited	287 01	
Balance (red ink)	15 00	

\$1019.61

(Style B.)
1908.

June 2 Rent
5 R. E. A. Colp
6 B. Payable
Int. and Disc.
8 Advertising
9 Sales Disc.
10 Student W/A
11 H. E. Grice
12 Freight
15 Expense

Cash Disbursed.		
For June	\$ 30.00	
Full $\frac{a}{c}$	129.36	
No. 7	235.40	
No. 7	1.22	
Evening Record	37.50	
R. H. Ernst	3.75	
Private use	75 00	
Inv. 28th ult.	215.00	
M. A. E. Hirtle	4.90	
Postage	3.00	
Balance (red ink)	1976 22	

\$2711.35

(Style C.)
1908.

June 1
2 Rent
4
5 R. E. A. Colp
6 Bill Payable
Int. and Disc.
8 Advertising
9 Sales Disc.
10 Student W/A
11 H. E. Grice
12 Freight
15 Expense

Cash Disbursed.		Box.	Bank.
Deposited	\$2000.00		
For June		\$30.00	
Deposited	270.00		
in full of $\frac{a}{c}$		129.36	
No. 7		235.40	
No. 7		1.22	
Evening Record		37.50	
R. H. Ernst	3.75		
Private use	75.00		
Inv. 28th ult.	215.00		
Goods from Hirtle	4.90		
Deposited	300.00		
Postage	3.00		
Balances (red ink)	43.95	1932.27	

\$2700.60 \$2580.75

MARITIME DOUBLE ENTRY.

(Style D.)

1908.

	Cash Received. Invested	Cheques.	General.
June 1 Student Bank		\$30.00	\$2100.00
3 R. G. Annand	on %		125.00
4 Bills Receivable	No. 6		145.30
5 Bank		129.36	
6 Bank		236.62	
8 Bank		37.50	
9 R. H. Ernst	Inv. 30th ult.		125.00
11 Purchase Disc't.	H. E. Grice		10.75
Bank		204.25	
13 Mdse.	Cash Sales Balance—Bank (red ink)	1932.27	205.30
		<hr/>	<hr/>
		\$2570.00	

June 15

Balance

\$2711.35

\$1976.22

INSTRUCTIONS FOR MARCH.

A Credit Note is a statement similar in form to an invoice, but usually printed in red ink, sent by a creditor to his debtor, showing a credit for goods returned, a rebate, overcharge, or other allowance.

CHAS. R. MANNING

GENERAL DEALER

Credit Notice

Falmouth, N. S., Aug. 22, 1908

To ... E. J. Nicolle.

Arichat, N.S.

From Chas. R. Manning.

By Freight on one car applies to Truro	6 50
---	------

What Journal entry should Nicolle make? Manning?

MARITIME DOUBLE ENTRY.

47

(Style D)

1908.

		Cash Disbursed.	Deposits.	General.
June 1	Bank	Deposited	\$2000.00	
2	Rent	For June		\$ 30.00
4	Bank	Deposited	270.00	
5	R. E. A. Colp	in full of %		129.36
6	Bill Payable	No. 7		235.40
	Int. and Disc't.	No. 7		1.22
8	Advertising	Evening Record		37.50
9	Sales Discount	R. H. Ernst		3.75
10	Student W/A	Private use		75.00
11	H. E. Grice	Inv. 28th ult.		215.00
12	Freight	Goods from Hirtle		4.90
15	Bank	Deposited	300.00	
	Expense	Postage		3.00
				\$2570.00
		Balances—(red ink)		
		Bank \$1932.27		
		Box 43.95		1976.22
				\$2711.35

CASH BOOK.

Examine carefully the Model Cash Book, on page 44. Refer to the transactions for the Model Set on page 13. Notice that on the left page of the Cash Book all sums received by the business are recorded. Refer to the Journal entries for these various transactions. Now compare your Cash Account in the Model Ledger with this book. Do you observe that the Cash Account is debited to all sums received? When you post to the Ledger from this book the various amounts will appear on the credit side of the several accounts. Why?

On the right page of the Cash Book you will find a record of all sums of cash paid out by the business. The Cash Account, therefore, is credited by these payments. Look at your Model Ledger. On which side of the Ledger will these payments appear when posted? Why?

Note carefully how this book is balanced. Observe that the totals are exactly opposite each other. The balance here as in the Ledger is in red ink. The balance is brought below the ruling in black ink, and the word Balance is placed in the memo column. It is not to be transferred to the Ledger, and is, therefore, not a Ledger title.

If you were to collect all the transactions for which cash was received, and make one Journal entry to include all, you would debit the Cash Account the total amount, and credit individually each account that had produced the value. A Journal entry to cover all disbursements would be to individually debit the accounts that had cost value, and credit Cash Account with the total disbursement.

Rule a sheet of cap paper for a Cash Book. Using the same price list as you had and referring to the Journal for amounts, write up a Cash Book for January. Balance the book and bring the balance below the rulings. Present it to teacher for inspection if it is your neatest work.

When your teacher has stamped your work with his approval by initialing it, proceed on the same sheet with the February Cash transactions.

When complete, present it like all other completed work to your teacher who will initial it if it is satisfactory.

MARITIME DOUBLE ENTRY.

Copy the approved January and February Cash Books into your bound Cash Book.

During March you will use the Cash Book as an auxiliary book. That is, as a memorandum book only, and not to be posted from. You will continue, therefore, to pass your cash transactions through the Journal as before.

Total the Bills Receivable and Payable books. In the future you will use these books as books of original entry, and post direct to the Ledger from these books. Omit from the Journal all Bills Receivable and Payable when received or issued.

When you have completed the business proceed in the same order as you did in the previous months.

Refer to the model and balance Cash Book if the amount on hand is correct.

When your books have been finally examined for March, issue a cheque in favor of your teacher for the amount to your credit in the bank; also give your teacher all currency you have in the cash box, as you will in April enter upon a different business with a new capital investment.

MARCH TRANSACTIONS.

- Mar. 1. Notified the clerk and bookkeeper that their salaries would be increased by \$5 and \$10 per month respectively.
 Gave Maritime Milling Co., to apply on account, our 15-day note for \$300 with interest.
 Paid in Cash, February light bill, \$4.10.
2. Sold E. W. Giffin & Son, on account:
 25 bus. Potatoes.
 40 bus. Oats.
 35 bbls. Flour.
 Paid by ch'que month's rent.
 Received from E. W. Giffin & Son, \$80 cash, to apply on account.
3. Bought per bill goods J. W. Westervelt:
 200 bus. Wheat.
 250 bus. Corn.
 25 bus. Beans.
 4000 lbs. Timothy.
 30 bus. Peas.
 3000 lbs. Clover.
 Maritime Transfer Co. present bill for February work, \$21.75.
 (Debit Merchandise Account.)
5. Rowlings Bros. gave, to apply on account, their note at one month for \$175, and their cheque for \$400.
 Sold W. M. Miller, on account:
 125 bus. Corn.
 25 bus. Wheat.
 100 bus. Oats.
 25 lbs. Flour.
 Deposited in bank Rowlings Bros.' cheque and \$50 currency.
6. Bought on account of Maritime Milling Co.:
 100 bbls. Flour.
 3000 lbs. Bran.
 100 bbls. Cornmeal.
 3000 lbs. Middlings.
 Gave J. W. Westervelt a note at 12 days for \$400.

MARITIME DOUBLE ENTRY.

49

7. Sold Rowlings Bros. on account:
 12 bus. Beans.
 15 bbls. Flour.
 35 bus. Corn.
 600 lbs. Bran.
 400 lbs. Middlings.
 Gave Clark Bros. my 10-day note for \$100
8. Paid by cheque note due today.
9. Bought of Clark Bros.:
 150 bus. Potatoes.
 100 bus. Oats.
 Paid in cash, freight, \$9.50.
 Gave Maritime Milling Co. my note at one month for \$1000.
10. Sold F. E. Saltman on account:
 800 lbs. Bran.
 200 lbs. Middlings.
 60 bus. Oats.
 30 bus. Potatoes.
 12 bbls. Flour.
 David Roche presented a bill for painting sign, \$8.
 Received cash for note due today.
12. Sold George T. Firth on account:
 800 lbs. Timothy.
 500 lbs. Clover.
 15 bbls. Flour.
 35 bbls. Cornmeal.
 10 bus. Peas.
 Received of W. M. Miller, to apply on account, his cheque for \$125.
 and a 15-day note for \$175.
 Deposited in bank \$200 cash and Miller's cheque.
13. Bought of W. B. Spencer to apply on account:
 50 bbls. Oatmeal.
 50 bbls. Rolled Oats.
 I took for private use \$25 in cash.
14. Sold Rowlings Bros. on account:
 20 bbls. Oatmeal.
 800 lbs. Middlings.
 20 bbls. Cornmeal.
 8 bus. Peas.
 Paid in cash the bill for advertising in Maritime Merchant.
 \$17.50.
 Received of George T. Firth, to apply on account, his note at 10
 days for \$400.
15. Received of Maritime Transfer Co., to apply on account, \$75 cash.
 Sold David Roche on account:
 20 bus. Oats, @ 40c.
16. Sold W. M. Miller on account:
 50 bus. Wheat.
 15 bbls. Cornmeal.
 720 lbs. Timothy.
 400 lbs. Clover.
 Gave H. J. Stech a cheque in full of account.

MARITIME DOUBLE ENTRY.

17. Received of F. E. Saltman his note at one month for \$200.
Discounted at bank note received on 5th. Proceeds to my credit.
19. Gave W. B. Spencer my note at one month for \$360, and my cheque
for \$100.
Paid by cheque note due today.
20. Paid by cheque note due today.
21. Bought of Maritime Milling Co., on account:
50 bbls. Flour
100 bbls. Cornmeal.
Paid by cheque note due today.
22. Sold Rowlings Bros. on account:
400 lbs. Bran.
10 bus. Peas.
12 bbls. Rolled Oats.
25 bus. Wheat.
20 bbls. Cornmeal.
Received of E. W. Giffin & Son, cash to apply on account, \$225.
23. Sold to George T. Firth on account:
15 bbls. Oatmeal.
12 bbls. Rolled Oats.
400 lbs. Timothy.
200 lbs. Clover.
10 bbls. Flour.
25 bus. Beans.
Deposited in bank \$300 currency.
Took for private use:
1 bbl. Flour, \$4.75.
5 bus. Oats, @ 30c.
1 bag Potatoes, \$1.20.
Received from W. M. Miller his note at one month for \$275.
24. Sold F. E. Saltman on account:
1000 lbs. Bran.
1600 lbs. middlings.
70 bus. Potatoes.
40 bus. Oats.
8 bbls. Flour.
20 bbls. Cornmeal.
J. W. Westervelt sends a credit note for my claim of $\frac{1}{2}$ c. per lb.
on one ton of Clover Seed.
Rowlings Bros. gave their note at one month for \$365.
26. Sold E. W. Giffin & Son on account:
50 bbls. Cornmeal.
15 bbls. Flour.
25 bus. Potatoes.
10 bus. Oats.
Received from F. E. Saltman \$200 cash to apply on account.
27. Sold W. M. Miller on account:
50 bus. Wheat.
100 bus. Potatoes.
10 bbls. Cornmeal.
280 lbs. Timothy.
600 lbs. Clover.
Received cash for note due today.

MARITIME DOUBLE ENTRY.

51

28. Deposited in bank \$600 currency.
Prepaid by cheque my note of 9th less discount to maturity.
29. Sold Rowlings Bros. on account:
 5 bus. Corn
 15 bus. Wheat.
 6 bus. Beans.
 25 bbls. Flour.
 8 bbls. Rolled Oats.
 200 lbs. Bran.
 Gave them credit note for an allowance of 10c. per bbl. on Oatmeal sold on 14th.
 W. M. Miller wishes to prepay his note of 23rd. I accept his cheque less discount to maturity.
30. George T. Firth paid \$500 in cash on account and bought:
 12 bbls. Oatmeal.
 10 bbls. Flour.
 15 bbls. Rolled Oats.
 15 bus. Peas.
 500 lbs. Clover.
 Received cash for note due.
 Maritime Transfer Co. presented bill for March work, \$25.75.
 They bought:
 20 bus. Oats, @ 45c.
 4 bbls. Cornmeal, @ \$3.25.
 They paid in cash balance due by them.
 Deposited Miller's cheque and currency \$700.
 Indorsed to J. W. Westervelt to apply on account, less discount to maturity, the note received from Rowlings Bros. on 24th.
31. Paid in cash clerk and bookkeeper.
 Gave Maritime Milling Co., to apply on account, a cheque for \$664.

INVENTORIES.

Merchandise (at cost):
 23 bbls. Flour.
 13 bbls. Oatmeal.
 4 bbls. Rolled Oats.
 35 bbls. Cornmeal.
 500 lbs. Middlings.
 250 lbs. Bran.
 18 bus. Potatoes.
 30 bus. Beans.
 10 bus. Peas.
 800 lbs. Clover.
 1800 lbs. Timothy.
 85 bus. Corn.
 35 bus. Wheat.

Expense:

Office Books	\$10.00
Furniture	25.00
Telephone rent	11.25
Scales	25.00 \$71.25

MARITIME DOUBLE ENTRY.

COLUMNAR BALANCE SHEET.

The attention of the student is now directed to another manner of showing the Loss & Gain Statement and the Balance Sheet.

BALANCE SHEET, JUNE 30, 1908

	Folio	Trial Balance	Loss & Gain	Resources & Liabilities
L. O. Morse C/A		400000		4000
Z. M. Rice C/A		200000		2000
Mdse.	250.00			
Expense	416.50		318.00	98.50
Furniture & Fixtures	512.50		62.50	450.00
Salaries	725.00		810.00	
Freight	94.60		94.60	
Taxes & Insurance	227.40		152.40	75.00
Int. & Disc't.		5.60	1.89	
Rent	825.00		90000	
Albert Francis	107.35			107.35
H. McD. Henry	122.65			122.65
G. F. Colwell	98.25			98.25
Mosely Bros.		412.30		412.30
W. A. Moir		87.95		87.95
Bills Payable		630.25		630.25
Bills Receivable	1224.75			1224.75
Cash	126.60			126.60
Bank	2405.50			2405.50
	7136.10	7136.10	2339.39	7168.60
			2210.00	7297.99
<i>Net Loss</i>			129.39	
			2339.39	2339.39
L. O. Morse				
<i> Loss</i>		86.26		86.26
Z. M. Rice				
<i> Loss</i>		43.13		43.13
			7297.99	7297.99

N. B.—All inventories and balances are entered in red ink. They are here entered in *italics*. Unless otherwise stated partners' capital accounts remain intact.

Unless otherwise stated partners' capital accounts remain intact.

Exercise.—Using columnar style of Balance Sheet, work out the following example and hand same to teacher for examination:

MARITIME DOUBLE ENTRY.

53

Inventories:—Merchandise, \$1700; Expense—coal, etc., \$55; Rent due and unpaid, \$60; Interest due on notes which I hold, \$3.75.

E. J. Allen C/A		\$2500
Cash	\$ 33	
George W. Browne	135	
J. W. Malcolm		135
I. J. Behie	140	265
Expense	355	
Bills Receivable	410	
Bills Payable		270
Interest & Discount	12	
D. A. Cameron	360	
H. S. Coops		510
Merchandise	1200	
Bank	700	
E. J. Allan, W/A	200	

N.B.—This exercise must be done before you proceed with the work of the next month.

REMITTING PAYMENTS.

When you deposit money in your bank, that amount is subject to your cheque, and is payable at that bank; hence when you give your cheque to one not in the town where the bank is situated, the payee will lose the **Exchange** or **Collection**; that is, the charge made by the payee's bank in getting the money for him. You should therefore add sufficient to your remittance to cover this cost of collection if you are paying by cheque. You may write across the face of your cheque "payable at par at". Then the exchange will be charged to you when the cheque is presented at your bank for payment.

Banks will, for a small charge of about $\frac{1}{2}\%$ of the amount remitted, sell you a **Bank Draft**, which is the order of one bank to another to pay on demand or at a fixed time a sum certain in money to or to the order of the person named as payee.

Suppose Fred E. Gullison desires to pay Brown Bros. of Windsor \$100. He fills out a Requisition Form as below, and passes this with the money, \$100, to be remitted, and 25c. (usually the minimum fee) which is the banks' charge for remitting, to the bank clerk, who will give him the draft as illustrated below. He may of course issue his cheque in favor of the bank for \$100.25 in payment of the draft. If the remitter does not wish the bank to know to whom the money is to be paid he will have the draft drawn in his own favor. Before mailing it he will endorse it thus:

Pay *Brown Bros.*
Fred E. Gullison.

Aug. 23/08
Beaver River.

STUDENTS' BANK
REQUISITION NOTE

20th day of August 1908

MEMO.

Wanted from the STUDENTS' BANK

A draft on Windsor
in favor of .. Brown Bros.
For the sum of \$100⁰⁰
..... Fred E. Gullison..... Applicant

Draft \$ 100.00
Exc. 25
Total \$ 100.25 Teller

Students' Bank

\$100⁰⁰

Beaver River, N.S., Aug 20, 08

Pay to the order of Brown Bros.

One Hundred ——————
and charge to the account of this Bank.

xx Dollars

100

J. M. Rice Agent
L. O. Morse Acct.

When Brown Bros. receive this draft they may treat it as a cheque; that is, indorse it and present it to the bank on which it is drawn, and receive the cash, or they may deposit it to their credit, or they may negotiate it to some person.

Express companies make a specialty of remitting money, and will, for a small consideration, remit for you the actual currency or sell you an Express Order.

MARITIME DOUBLE ENTRY.

55

MONEY ORDER.		STUDENTS' EXPRESS COMPANY
THE STUDENTS' EXPRESS COMPANY		OF MARITIME BUSINESS COLLEGE
AGREED TO PAY		FOR # 4273
THE SUM OF....Forty-two.....		SENT TO E. M. Mumford
TO ORDER OF....E. M. Mumford.....		BY A. E. Logan
AT....Calgary, Alta.....		DATE Jan 8 '08
REMITTER....A. E. Logan.....		N.B.—KEEP THIS
DATE...Jan. 5/08		AGENT AT Milford, N.S.
		DOLLARS 75 42 CENTS 100
Not Exceeding Fifty Dollars		
Not Exceeding Forty Dollars		
Not Exceeding Thirty Dollars		
Not Exceeding Twenty Dollars		
Not Exceeding Ten Dollars		
Not Exceeding Five Dollars		

The remitter keeps the coupon on the right hand side as the receipt, and mails the order to his creditor, who may treat it in the same manner as if it were a Bank Draft.

The Dominion Government will, through the Post Office department, remit money by selling postal notes for small amounts and money orders for larger amounts.

Exercise.—If the remitter of the Bank Draft paid for it in cash, what would be his Journal entry? If he paid by cheque?

Exercise.—What Journal entry would the Payees make if they cashed the Bank Draft? If they deposited it? If they negotiated it to J. W. Patterson?

INSTRUCTIONS FOR APRIL.

This month is designed to acquaint the student with a columnar Cash Book, i.e., special columns for certain accounts.

On the left page the columns are to be headed Sales Discounts, Box, Bank. On the right page they are to be Purchase Discounts, Box, Bank. Refer to the model on pages 58 and 59.

Remember you keep your cash in two different receptacles, in the cash box in the office, and on deposit at your bank.

When cash is received, enter the amount actually received, currency or cheque, in the box column on the received side. If you allow your customer a discount, enter the discount in the Sales Discount column.

When cash is paid out enter the amount in the box column on the disbursed side. Enter any discounts allowed you in the Purchase Discount column. Hence any time you wish to prove your cash, total these columns. The difference should be the amount of cash on hand in the office.

When you deposit money in the bank, enter the amount in the bank column on the received side, and in the cash column on the disbursed side. No ledger title is necessary.

If you pay by cheque enter the amount in the bank column on the right page.

MARITIME DOUBLE ENTRY.

What should the difference between these columns show? Where else would you expect to find this difference? If when the banker balances your Bank Pass Book the balance he shows should differ from the balance as shown by your books, should you infer that one or the other is wrong? How could you prove both might be correct?

Remember Purchase and Sales Discounts are not the same as Interest and Discount, and must therefore have different ledger accounts.

Note very carefully how this book is balanced. The discount columns do not represent money either received or disbursed. These allowances for prompt payment may be entered as in the model on page 58 or they may be journalized.

In posting to your debtors' accounts which have been allowed a discount, you may add together the discount and the actual cash received, and credit your debtor in one amount, or you may take two lines and credit by cash, by discount. In posting to your creditors' accounts, when you have taken advantage of the purchase discount follow whichever style you adopt for debtors.

There is now no occasion for either a cash or bank account in the Ledger, hence when taking your Trial Balance do not forget to enter the box and bank balances in your Trial Balance.

In numbering Bills Receivable and Payable, begin again at No. 1, as this is a new business.

OPENING JOURNAL ENTRIES.

Frequently persons have been doing business for a considerable time before adopting a good and systematic method of keeping their accounts. In January the only asset the student invested was Cash. From the following example it will be seen how to open a set of double entry books where the proprietor has several assets and liabilities.

W. A. Stech's effects are.

Assets.

Cash on hand, \$75; in bank, \$2450; E. Kaulbach owes on account \$370; James Olding owes on account, \$125; Bills Receivable, \$785; Interest due on same, \$5; Real Estate, \$2190.

Liabilities.

Bills Payable, \$450; due L. A. Woodin, \$350; H. E. Crowell, \$290; Mortgage on real estate in favor of R. A. MacDonald, \$1000; Interest due on same, \$25.

Cash	C. B.	\$ 75
Bank	C. B.	2450
E. Kaulbach		370
James Olding		125
Bills Receivable	B. R.	785
Interest and Discount		5
Real Estate		2190
W. A. Stech		\$6000

MARITIME DOUBLE ENTRY

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W. A. Stech	2115
Bills Payable	B. P.
L. A. Woodin	450
H. E. Crowell	350
Mortgage Payable	290
Mortgage Interest	1000
	25

Or this style may be used

Cash	C. B.	\$ 75
Bank	C. B.	2450
E. Kaulbach		370
James Olding		125
Bills Receivable	B. R.	785
Interest and Discount		5
Real Estate		2190
Bills Payable	B. P.	\$450
L. A. Woodin		350
H. E. Crowell		290
Mortgage Payable		1000
Mortgage Interest		25
W. A. Stech		3885

Note that all assets and liabilities have been stated in the opening Journal entry. As you are to use all books as books of original entry the Cash must be entered in that book, the Bills Receivable and Payable in their respective books. Be sure that the proprietor's name goes in the first column. Now as the proprietor has been credited in the Journal with all assets and debited with all liabilities he must not be again debited and credited with these amounts. Be sure that for a ledger title in the Cash and Bill Books you place the proprietor's name as it is either for or against him these items appear. Note in the Journal opposite Cash, Bank, Bills Receivable and Payable we have entered the initials of the books where these amounts again appear. When posting, this is a signal not to post these amounts to the Ledger. In the other books in the folio column you will put J to warn you not to post these amounts from these books

You will, for the sake of the greater information obtained, break up your Expense Account. Open accounts for Furniture & Fixtures, also Collection & Exchange.

April Price Lists.

BUYING.

	SELLING.									
	1	2	3	4	5	6	7	8	9	10
.12½ Art Muslin	20	17½	.19½	17	19	16½	18½	16	.18	.15½
2.10 Axminster	2.60	2.30	2.55	2.25	2.50	2.20	2.45	2.15	2.40	2.35
1.50 Brussels	1.62½	1.50	1.65	1.52½	1.67½	1.55	1.70	1.57½	1.72½	1.60
.08 Crettonne	.10	.12½	.10½	.13	.11	.13½	.11½	.14	.12	.14½
.40 Felt	.50	.38	.48	.36	.46	.34	.44	.32	.42	.40
.05 Lining	.06	.08	.06½	.06½	.05½	.07	.05½	.07½	.05	.07½
.75 Linoleum	.60	.80	1.00	.65	.85	1.05	.70	.90	.75	.95
.25 Matting	.40	.52	.42	.54	.44	.56	.46	.58	.48	.50
.50 Oilcloth	.75	.55	.35	.70	.50	.30	.65	.45	.60	.40
.50 Tapestry	.62½	.75	.60	.72½	.57½	.70	.55	.67½	.52½	.65
.33½ Union	.39	.37	.38½	.38½	.39½	.38	.39½	.37½	.40	.37½
2.60 Wilton	2.75	3.05	2.80	3.10	2.85	3.15	2.90	3.20	2.95	3.00

MARITIME DOUBLE ENTRY.

		Cash Received.	Sales		
1908.			Discts.	Box.	Bank.
April 2	H. E. Crowell	Invested		\$1250.00	
3		Deposited			\$1200.00
7	F. A. Hayes	Invs. 6th, 12th	\$7.63	373.97	
16	Jas. Olding	Inv. 23rd ult.	2.50	122.50	
		Deposited			473.97
■	B. Receivable	Note No. 1		300.00	
	Int. and Disct.	Note No. 1		1.36	
■	B. Receivable	Note No. 3			561.74
■	R. L. Sutherland	Inv. 18th	5.00	245.00	
		Deposited			244.69
30	Pur. Discts.	Contra	28.82		
			\$43.95	\$2292.83	\$2480.40
May 1		Balances		\$336.36	\$1785.36

APRIL TRANSACTIONS.

- April 2. Student commenced the Carpet and Furnishing Business with following Assets and Liabilities:

Assets: Cash, \$1250; F. A. Hayes owes on %, \$350; Goods inventoried at \$1425; Office Furniture, \$385; V. M. Lindsay's \$300, 30-day interest-bearing note, dated March 16.

Liabilities: Due the Maritime Carpet Co., Ltd., on %, \$560; H. M. Colburne & Son, on %, \$400; and E. S. M. Eaton holds a \$450 interest-bearing note at one month from March 19.

N.B.—All notes are to be entered at face value. Terms of all sales 2, 30, n. 60 ds.

3. Sold G. G. Spencer, Sydney:

120	yds.	Crettonne.
40	"	Axminster.
20	"	Wilton.
40	"	Art Muslin.
40	"	Oilcloth.
100	"	Linoleum.

Deposited in Bank, \$1200.

4. Sold Thomas Bros., Sackville:

75	yds.	Matting.
40	"	Felt.
54	"	Tapestry.
50	"	Crettonne.

Paid by cheque April rent, \$45.

Bought of Chas. W. Dawson, St. Croix; terms, 5/10, n. 30 ds.:

450	yds.	Union.
250	"	Felt.
400	"	Brussels.
508	"	Lining.

5. Sold Roach & Payson, Kingston:

40	yds.	Matting.
25	"	Felt.
60	"	Union.

Placed \$2500 insurance with S. B. Fullerton's agency, paying 1½% premium in Cash.

MARITIME DOUBLE ENTRY.

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Cash Disbursed. Pur.

1908.			Deposited	Discts.	Box.	Bank.
April 3			Rent		\$1200.00	
4	Expense		Insurance		37.50	\$45.00
5	Expense		Inv. 23rd ult.	\$7.50		242.50
6	H. M. Colburne & Son		Deposited		473.97	
16			Note No. 3			2.46
18	Int. and Disct.		Inv. 14th	21.32		405.08
23	Chas. W. Dawson		Deposited		244.69	
28	Coll. and Exch.		On above		.31	
30	Sales Discts.		Contra	15.13		
			Balances		336.36	1785.36
					\$43.95	\$2292.83
						\$2480.40

6. Sold Jas. Olding, New Glasgow:

60 yds. Tapestry.
 75 " Union.
 36 " Axminster.

Paid by cheque H. M. Colburne & Son's invoice of 23rd ult. \$250
 less 3%.

7. Sold Robt. H. Mason, Lunenburg:

90 yds. Union.
 40 " Brussels.
 32 " Linoleum.

Received of F. A. Hayes, Cash in payment of invoice of 23rd ult.,
 \$125 less 2%.

9. Sold Thomas Bros.

50 yds. Brussels.
 35 " Felt.
 60 " Linoleum.

10. Sold Roach & Payson:

52 yds. Wilton.
 30 " Axminster.
 35 " Felt

Proprietor drew for private use by cheque \$35.

Bot. of Maritime Carpet Co., Ltd., terms 3/10, n/30 ds.:

250 yds. Linoleum.
 400 " Oilcloth.
 100 " Matting.
 100 " Art Muslin.
 50 " Wilton.
 50 " Axminster.
 200 " Cretonne.
 230 " Tapestry.

11. Sold H. W. Archibald, Musquodoboit:

40 yds. Wilton
 90 " Union.
 120 " Lining.
 70 " Linoleum.

Paid in Cash bill of A. & W. MacKinlay, Ltd., for Office Books and
 Supplies, \$14.75.

MARITIME DOUBLE ENTRY.

12. Sold Jas. Olding, New Glasgow:
 60 yds. Brussels.
 120 " Lining.
 45 " Union.
 36 " Wilton.
 Bot. by cheque a Bank Draft on Windsor in favor of Chas. W. Dawson, and remitted it in settlement of invoice of 4th, less discount. Bank's charges $\frac{1}{4}\%$.
13. Sold R. H. Mason:
 30 yds. Union.
 38 " Linocum.
 70 " Oilcloth.
 40 " Tapestry.
 120 " Lining.
 He gave in full of his $\frac{1}{4}\%$ his note at 30 ds. from date, payable at my office.
 N.B.—Debit Mason in Sales Book as on 7th, and credit him in Bill Book for the note received.
14. Sold G. G. Spencer:
 60 yds. Union.
 60 " Lining.
 20 " Wilton.
 80 " Art Muslin.
 120 " Oilcloth.
 Bot. of Chas. W. Dawson, terms 5/10, n/30 ds.:
 250 yds. Brussels.
 120 " Union.
 228 " Lining.
 N.B.—Present your Cash Book, Cash Box and Cheque Book to the Teacher, who will check them and initial if they meet his approval.
16. Sold Roach & Payson:
 60 yds. Lining.
 20 " Matting.
 40 " Wilton.
 62 " Axminster.
 N.B.—Do not proceed unless your books have been initialed.
 Received from James Olding, Bank Draft in payment of invoices of 6th and 12th.
 Deposited in Bank Olding's draft and \$100 currency.
17. Sold H. W. Archibald:
 40 yds. Axminster.
 30 " Union.
 100 " Oilcloth.
 30 " Linoleum.
 Roach & Payson remit their note at 30 ds. from date in full of $\frac{1}{4}\%$.
18. Sold James Olding:
 70 yds. Linoleum.
 60 " Oilcloth.
 80 " Cretonne.
 40 " Felt.
 80 " Matting.
 Discounted at Bank Roach & Payson's note of 17th. Proceeds to my credit.
 Received Cash for note and interest due today.

20. Paid by cheque Maritime Carpet Co., Ltd., for invoice of 10th inst.
Received from H. W. Archibald his cheque, payable at par, in
payment of invoices of 11th and 17th inst.
21. Paid by cheque Maritime Transfer Co., Ltd., for freight and truckage,
\$62.50.
22. Paid for postage and telegrams, \$4.82 cash
23. Sold Thomas Bros.:

46 yds. Tapestry.
50 " Brussels.
60 " Oilcloth.
50 " Art Muslin.

They paid in Cash their $\frac{1}{2}$ in full to date.

Remitted Chas. W. Dawson my cheque (adding 50c. for cost to
him in cashing same) in settlement of invoice of 14th.

Deposited Archibald's cheque and \$650 currency.

Paid note in favor of E. S. M. Eaton by cheque.

24. Sold H. W. Archibald:

150 yds. Cretonne
60 " Art Muslin.
50 " Brussels.

Bot. of Maritime Carpet Co., Ltd., on usual terms:

172 yds. Oilcloth.
80 " Linoleum.
250 " Tapestry.
125 " Axminster
240 " Union.
320 " Art Muslin.
100 " Wilton.
480 " Lining.

G. G. Spencer remitted his cheque on Students' Bank, Sydney, for
his purchases of 3rd and 14th. (Same accepted in payment,
but he should have added exchange, for your Bank will charge
you for bringing this money from his bank in Sydney to Halifax).

26. Sold James Olding:

40 yds. Oilcloth.
30 " Linoleum.
80 " Art Muslin.
40 " Felt.

Gave H. M. Colburne & Son note at 1 month for \$150 to apply on $\frac{1}{2}$.
Gave Maritime Carpet Co., Ltd., a cheque for \$350 to apply on $\frac{1}{2}$.

27. Made allowance and sent a Credit Note to James Olding for $2\frac{1}{2}$ c.
per yard on Linoleum sold on 18th and 26th.

Sold Suburban Hotel Co., for Cash less 5%:

40 yds. Linoleum	@	\$.90
300 " Tapestry		.65
406 " Lining		.06
240 " Union		.38
60 " Axminster		2.25
60 " Art Muslin		.16 $\frac{2}{3}$
120 " Oilcloth		.66 $\frac{2}{3}$
160 " Brussels		1.62 $\frac{1}{2}$

28. Sold H. W. Archibald:

90 yds. Art Muslin.
80 " Tapestry.
30 " Brussels.

Received from F. A. Hayes to apply on $\frac{1}{2}$ his 60-day note for \$150.
Deposited Spencer's cheque and \$800 currency. Exchange $\frac{1}{2}\%$.

MARITIME DOUBLE ENTRY.

30. Drew from Bank for office use \$100.
 Suggestion: Why will you enter this on both sides of the Cash Book, but without Ledger Title?
 Paid in Cash salaries, \$122.50.

INVENTORIES.

Merchandise (at cost)

20	yds. Linoleum.
117	" Wilton.
65	" Matting.
150	" Union.
82	" Oilcloth.
230	" Brussels.
160	" Felt.
130	" Art Muslin.
72	" Axminster.
100	" Tapestry.
50	" Cretonne.
480	" Lining.

Office Furniture:

Less 10% of cost.

Expense:

\$42.50.

Hand to your Teacher before proceeding with the May work the following exercises:

Exercise—The Cash Book for April written in style B, p. 44.

Exercise—The Cash Book for April written in style C, p. 44.

Exercise—From the following information prepare a Columnar Balance Sheet:

Larry M. Brown, C/A	\$4000.00
Guy L. Brown, C/A	4000.00
Bank	\$3000.00
Cash	101.50
Mdse.	1800.00
Expense	460.00
Salary	1200.00
Interest & Discount	27.27
Collection & Exchange	8.13
P. E. Bent	265.00
Joseph Cohen	530.00
A. G. Embree	418.60
A. J. Holloway	470.00
Bills Payable	930.00
Bills Receivable	1075.00
C. C. Jodrey	94.50
Rent	480.00
L. M. Brown, W/A	400.00
G. L. Brown, W/A	600.00
	<hr/>
	\$9930.00
	\$9930.00

Inventories—Mdse., \$4300. Expense: Coal on hand, \$75; Salary due and unpaid, \$62.50; Rent due, \$120.

N.B.—Notice how your Expense Account is broken up into Salary and Rent. What are the advantages of subdividing such accounts?

Exercise: Refer to your work for April and rewrite that month by Single Entry. The Bank Account will not be considered a personal account. It will not be necessary to rewrite the Sales Book. Repost it to your Single Entry Ledger.

Extract your Trial Balance and, using same inventories, complete your Single Entry Balance Sheet.

BILL OF EXCHANGE OR DRAFT.

"Bank means an Incorporated Bank or a Savings Bank carrying on business in Canada."

"Delivery means transfer of possession, actual or constructive, from one person to another."

"Holder means the payee or indorsee of a bill or note who is in possession of it or the bearer thereof."

"Issue means the first delivery of a bill complete in form to a person who takes it as a holder."

"Good faith. A thing is deemed to be done in good faith, within the meaning of this Act, where it is in fact done honestly, whether it is done negligently or not."

"Holder in due course is a holder who has taken a bill, complete and regular on the face of it, under the following conditions, namely:

(a) That he became the holder of it before it was overdue and without notice that it had been previously dishonored, if such was the fact;

(b) That he took the bill in good faith and for value, and that at the time the bill was negotiated to him he had no notice of any defect in the title of the person who negotiated it."—(B. E. Act, 1890.)

Exchange is a system by which persons discharge their liabilities without the transmission of money. To illustrate: J. S. Welton, Auburn, sold to W. B. Spencer, Halifax, a car of apples. E. S. M. Eaton, of Auburn, bought of W. B. Spencer dry goods. Spencer desires to discharge his indebtedness to Welton without transmitting the money by any of the means previously described on p. 53.

N.B.—Eaton in Auburn would ordinarily send money to Halifax; Spencer in Halifax would send money to Auburn.

Similar desires on the part of ancient men of commerce led to the introduction of the Bill of Exchange, more commonly known as the **Draft**. It saves cost of transmission, danger of loss, and loss of interest or use of money while it is in transit.

"A Bill of Exchange is an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay, on demand or at a fixed or determinable future time, a sum certain in money to or to the order of a specified person, or to bearer."—B. E. Act, 1890.

Hereafter the expression **Bill or Draft** means **Bill of Exchange**.

The foregoing definition contains all the essentials, but the subsequent sections of the Act state that an order:

(a) To pay out of a particular fund;

(b) Or which orders any act to be done in addition to the payment of money, except when it states which particular account is to be debited, is not a Bill of Exchange. That is, an instrument otherwise good, but containing any clause to the effect of these, is invalidated. The Act, though it does not recommend the careless drawing of a Bill, states that the omission of the following will not invalidate it:

(a) The date.

(b) The value given or that any value was given.

(c) The place where drawn or place were payable.

MARITIME DOUBLE ENTRY.

Spencer now instructs his debtor (Eaton) not to remit to him the money due, but to pay \$300 to Welton, his (Spencer's) creditor, thus:

\$300 ⁰⁰	Due Nov. 4,	Halifax, N.S., Oct. 2, 1908
<i>Thirty days after date</i>		<i>Pay to the order of</i>
<i>J. S. Welton</i>		
<i>Three hundred</i>	<i>xx Dollars</i>	
value received and charge to account of		
To	<i>E. S. M. Eaton,</i>	<i>W. B. Spencer</i>
	<i>Auburn, N.S.</i>	

Observe that there are three parties to this Bill, viz.:

Drawer—Spencer, the one who gives the order.

Drawee—Eaton, the person commanded.

Payee—Welton, the person to whom the money is to be paid.

Spencer will send this bill to Welton, who, while he retains ownership of the bill, will be known as the Holder. On receipt of the bill, Welton, the Payee, who has as yet received no promise that the bill will be paid, should present it to Eaton, the Drawee, and request him to Accept.

"Acceptance" is the signification of the assent of the Drawee to the order of the Drawer."

To be valid it must be:

- (a) In writing.
- (b) On the bill.
- (c) Signed by the drawee.

It must not state that payment will be made in any other manner than in money. There may be two or more drawees, whether they are partners or not. They must not be named in the alternative or in a special order of succession.

Acceptances are of two kinds:

General, when the terms of the Bill are not varied.

Qualified, when some variation in the terms of the Bill is introduced, as:

(a) Conditional—i.e., makes payment by acceptor dependant on the fulfilment of a condition therein stated. An acceptance to pay at a particular specified place is not on that account conditional or qualified.

(b) Partial—i.e., a promise to pay part only of the amount for which the Bill is drawn.

(c) As to time—the acceptor changes the time payable.

(d) The acceptance of one or more, but not of all the drawees.

The drawee, Eaton, who as a matter of business courtesy has been advised by the drawer of his intention to draw the bill, decides to accept the bill which has been properly presented; that is to say, has been "presented by or on behalf of the holder, at a reasonable hour on a business day and before the Bill is overdue, to the drawee or some person who has authority to accept or

refuse acceptance on his behalf." It is customary to write the acceptance across the left end of the face of the bill.

Illustrations of some of the different styles of acceptance:

Accepted.

E. S. M. Eaton.

Accepted October 5, 1908

E. S. M. Eaton.

Accepted October 5, 1908.

Payable at Students' Bank, Kingston, N. S

E. S. M. Eaton.

Accepted October 5, 1908.

Payable in sixty days.

E. S. M. Eaton.

Accepted October 5, 1908.

For Two Hundred Seventy Dollars.

E. S. M. Eaton.

After acceptance the Drawee is known as the **Acceptor**.

Eaton now returns the accepted Bill to Welton. Why is it now to Welton a Bill Receivable? What is it to Eaton? Why?

Should the drawee refuse to accept—he cannot be compelled to do so—or if presentment for acceptance as above described cannot be effected, the bill is said to be **Dishonored** by non-acceptance.

The request of the drawer for the payment of the money to the payee might have been payable "at sight," or "after sight." Such bills must be presented for acceptance to fix date of maturity. The time of the sight bill counts from date of acceptance. Bills payable at sight are due three days (days of grace) after acceptance. A Bill at 10 days' sight, would be due 13 days (10 days plus 3 days of grace) after acceptance.

The Payee is not bound to take any but a general acceptance. If a qualified acceptance is tendered him he may return the bill to the drawer. The drawer being duly notified of a qualified acceptance may assent to the qualifications (the silence of the Drawer after notification by holder is equivalent to the consent of Drawer to the qualifications) and he will be held responsible for its payment at maturity if it is not paid by the acceptor.

Again, it might have been a request for immediate payment. It would read, "Pay," or "On demand pay." No acceptance is necessary, and no days of grace are allowed on demand bills. Payment is expected on presentation.

A bill is payable on **Demand**:

- (a) When it states so.
- (b) When no time for payment is expressed.
- (c) When it is accepted after it is overdue.

It may be payable one or more months "after date or after the occurrence of an event which is certain to happen, though the time of happening is uncertain. But an instrument expressed to be payable on a contingency is not a bill and the happening of the event does not cure the defect."

"A month means a calendar month. Every bill payable at a month or months after date matures on same numbered day as the date on which it was dated, unless there is no such day in the month in which it matures, in which case it becomes due on the last day of the month, with the addition of three days of grace in all cases."

Should the holder (owner) require the money before maturity, he may negotiate or sell the bill as he would a promissory note. The purchaser (a bank or an individual) would allow him maturity value, less interest to maturity. Welton will indorse it, thus signifying that he has released his ownership of the bill and that he guarantees payment should the acceptor fail to discharge

MARITIME DOUBLE ENTRY.

his promise at maturity. If the bill is not paid to the holder at maturity it is dishonored by non-payment. Remember, if the acceptor does not pay the holder at maturity, nor the indorser pay when notified that the acceptor did not pay, the holder can collect from the drawer if the drawer was notified not later than next business day after the maturity of the dishonor of the Bill.

"When a bill is transferred from one person to another in such a manner as to constitute the transferee the holder (owner), the bill is said to be negotiated."

"The expression **Bearer**, means the person in possession of a bill or note which is payable to the bearer."

A bill is payable to bearer:

- (a) When it states so.
- (b) When it is payable to a fictitious person.
- (c) When the only or last indorsement is in blank.

If the bill is payable to bearer delivery only is necessary to transfer it. If it is payable to order it must be indorsed and delivered.

An indorsement to be valid must be:

- (a) Written on the bill.
- (b) Signed by the indorser.
- (c) For the entire amount of the bill.

There are several styles of indorsement varying according to the intention of the indorser, e.g.:

J. S. Welton.

Pay P. L. McNeil,
C. R. Wentzell.

This is a **Blank** indorsement. No new payee is named. It is payable to bearer.

Special or **Full**. A payee is named and the bill cannot be further negotiated without his (the indorsee's) indorsement.

Restrictive; limits the negotiation.

Style suitable for a cheque.

For identification.

Limits the liability of the indorser.

Pay W. S. Charlton only,
P. L. McNeil.

For deposit only,
A. J. Holloway.

A. C. Bush is hereby identified by
A. R. Kaiser.

Pay F. O'D. Grimm without recourse
to me.

J. Herman Fulton.

Pay to the order of
Students' Bank,
for collection on account of
James Mullins.

This does not transfer the ownership of the bill. The bank is simply an agent for this purpose.

Let us consider the entries in the different books:

Spencer's Journal.

J. S. Welton	\$300
E. S. M. Eaton	\$300

Drew at 30 days from date on E. S. M. Eaton for \$300 in favor of J. S. Welton and remitted it to him to apply on account.

Eaton's Journal.

W. B. Spencer	\$300
Bills Payable	\$300

Accepted payable at Students' Bank. W. B. Spencer's Draft at 30 days from Oct. 2/08, in favor of J. S. Welton.

MARITIME DOUBLE ENTRY.

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Welton's Journal.

Bills Receivable	\$300
W. B. Spencer	\$300

Received of E. S. M. Eaton his acceptance of W. B. Spencer's 30-day draft, payable on Nov. 4/08 at Students' Bank.

Frequently a creditor who wishes to draw on his debtor has no debtor in the vicinity of his creditor to whom he wishes the money paid. In this case he draws the bill payable to his own order, sends it to the Drawee, his debtor, for acceptance and return. Having secured the written promise of his debtor he now has a negotiable instrument. The person to whom he negotiates it will require him to indorse the bill to show he has relinquished his right to the bill and to guarantee its payment at maturity if the acceptor fails to pay it.

Again, instead of drawing in his own favor, he may draw in favor of his Bank. The Bank would forward it for acceptance, then, either return it to the drawer or hold it till due and collect it, placing the net proceeds to his credit. The bank will charge a small commission for its trouble. If the Drawer was in immediate need of the money and his credit was very good, his bank would buy the draft as soon as drawn, and place the proceeds to his credit.

Suppose Spencer draws for \$100 at 10 days' sight, which the bank presents to Eaton for acceptance and then for payment, receiving both. Spencer's Journal Entry, when the bank reports collection, will be:

Bank	\$99.75
Collection and Exchange	.25
E. S. M. Eaton	\$100

What would Eaton's Journal Entry be when he accepted the bill? When he paid it?

If Spencer had drawn at 70 days after date and sold same to bank, his entry would have been:

Bank	\$99.00
Interest and Discount	1.00
E. S. M. Eaton	\$100

The Contract of the parties to a bill:

- (a) The **Drawer** engages that on due presentment the bill will be accepted and paid, and that if it is dishonored he will compensate the holder or any indorser who has been compelled to pay it, if requisite proceedings of dishonor are taken. He cannot deny to a holder in due course the existence of the payee or his capacity to indorse.
- (b) The **Acceptor** engages he will pay the bill according to the tenor of his acceptance. He cannot deny to a holder in due course, the existence of drawer, the genuineness of his signature, or his authority or capacity to draw the bill. He may deny the genuineness of the indorser's signature.
- (c) The **Indorser** engages that on due presentment the bill shall be accepted and paid, and if it is dishonored he will compensate the holder or any subsequent indorser who has been compelled to pay the bill. He cannot deny the genuineness or regularity in all respects of the drawer's signature and all previous indorsements.

PRESENTMENT FOR PAYMENT.

Demand bills must be presented for payment within a reasonable time (always a question of fact) after issue to hold the drawer, and after indorsement to hold the indorser liable.

All other bills must be presented on the day of maturity.

The proper place to present a bill for payment is determined as follows:

Where the bill states, if a place is named.

Where the acceptance states a place. Remember the acceptor has the right to change the place of payment and yet not make his acceptance a qualified acceptance.

Where no place is mentioned in bill or acceptance, at the given address of the drawee.

Where no address is given and no place mentioned either at his customary place of business or residence.

Failing to locate the drawee as above, the holder may present to the drawee wherever he may be found.

A bill may be Discharged in following ways:

1. **Payment in due course**—i.e., payment made at or after maturity of the bill to the holder thereof in good faith and without notice that his title is defective.

2. **Renewal**—The giving of a new promise for the old. Unless the old promise is given up by holder, the liability on it revives if at maturity the new bill is not discharged.

3. **Merger**—The giving of some higher security.

4. **Confusion**—Where the bill at or after maturity is negotiated to the acceptor.

5. **Renunciation**—Where the holder in writing renounces his right to the bill.

6. **Cancellation**—Where a bill has been intentionally cancelled.

7. **Alteration**—Where the bill or acceptance is materially altered and the alteration is apparent, and without the assent of all parties liable on the bill. The following alterations are material: Any alteration of date, sum payable, time of payment, place of payment, and where a bill has been accepted payable generally, the addition of a place of payment without the acceptor's assent.

If the bill is not paid at maturity by the acceptor to the holder, an immediate right of recourse accrues to the holder.

The holder may collect from the acceptor, the drawer or any indorser

The indorser who has been compelled to pay may collect from a prior indorser, the acceptor, or the drawer.

The drawer who has been compelled to pay the bill may collect from the drawee.

Liquidated damages—The amount to be collected after dishonor is: Face of bill, interest since maturity, protest fee (50c. in Nova Scotia), 25c. for each notice of dishonor and postage.

Bills in a Set—Formerly when mails were less frequent and very irregular, all bills on persons at any considerable distance were drawn in sets of three. In recent years delays are less common and bills are usually drawn in a set of two. "On demand of this my first of Exchange, second unpaid, etc.," or "Thirty days after date of this my original of Exchange, duplicate unpaid, pay," etc.; e.g.:

£75—0—8 <i>Wolfville, N.S., Sept. 3</i> 1908	No. 375
<i>At sight</i>		of this our
FIRST OF EXCHANGE (Second unpaid) pay to the order of		
<i>E. M. McDougall</i>		
the sum of <i>Serenty-five Pounds Eight Pence</i>		STERLING
and charge to account of		
<i>J. L. Baker</i>		
To <i>C. H. Glendinning</i>		
<i>Glasgow, G. B.</i>		

When accepting a bill drawn in a set never accept more than one part, and when paying never pay unless the holder returns to you the accepted portion.

Lost Bills may be collected from a copy, the holder giving to the promisor a bond guaranteeing to indemnify the promisor against loss should the original be found and he compelled to pay it.

CHEQUES.

"A **Cheque** is a bill of exchange drawn on a bank, payable on demand." It must be distinguished from a demand bill in the following cases:

(a) When a demand bill is in circulation an unreasonable length of time, the parties to it are discharged; not so a cheque unless the drawer can show he has suffered damage by the unreasonable delay in presenting.

(b) The death of the drawer cancels a cheque but not so a bill. The cheque after death of drawer is only an evidence of indebtedness of the drawer.

(c) A cheque can be countermanded, but not so a bill of exchange.

A **Certified Cheque** is one which has been accepted by the bank, i.e., they signify that the drawer's account is good for the amount specified, and that that sum will be held for a specified time to pay the cheque when presented for payment. When your written promise is held by some other bank, you will get your bank to certify your cheque before your presenting it in discharge of the obligation.

A **Crossed Cheque** is one with two parallel lines across the face of it. The purpose of crossing a cheque is to indicate to the bank that this cheque must be deposited and not paid in cash. The crossing may be done by the drawer or by the holder.

The crossing may be **General**; i.e., no particular bank mentioned.

If you wish a cheque to be deposited in the People's Bank, you write between the parallel lines **People's Bank**. This is known as a **Special Crossing**.

You may write between the lines **Non-negotiable**, which would indicate to the bank that the drawer wished it deposited by the original payee. If the cheque is crossed Generally by the drawer, the holder may cross it Specially.

The drawer may **Uncross** a cheque by writing between the parallel lines "Pay Cash" and initialling the same.

III

MARITIME DOUBLE ENTRY.

Take a page of cap paper and cut in four equal parts, and write the following Drafts. When all are your neatest work, present them to teacher for approval:

1. G. Kelley Butler, Liverpool, on August 15th, drew on demand on F. W. Drake, New Glasgow, for \$125.50, in favor of William D. Fraser.
2. On August 16th, P. B. Faulkner, Musquodoboit Harbor, drew at 30 days from date on W. C. Grimm, Springfield, in favor of C. C. King for \$290.65. The drawee on August 20th accepted, payable at Students' Bank, Middleton.
3. G. R. Hennigar, Chester, on August 17th drew at 10 days' sight on L. D. Morris, Halifax, in favor of Students' Bank for \$175.25. The drawee five days later accepted, payable at his office.
4. On August 19th, W. E. G. Bishop, Clarence, drew in favor of himself on A. T. Smith, Scotch Village, for \$130.60, payable 10 days after date. The drawer indorsed the draft to Students' Bank. The drawee accepted on August 22nd, payable at Traders' Bank, Brooklyn.
5. R. J. Zwicker, LaHave, drew per his attorney, Roy L. Onakes, on August 20th, at 30 days' sight on James Cumming, New Glasgow, in favor of J. J. Christie for \$75.30. The drawee accepted on August 25th, payable at Students' Bank. The payee on August 28th indorsed the draft to James F. Falconer, who left the same on September 3rd, at Students' Bank for collection.

RULES FOR JOURNALIZING THE DRAFT.**Drawer's Journal.**

If he draws on demand or at sight and remits to Payee to apply on %.

Payee.
Drawee.

If he draws at or after sight, or after date in his own favor and receives the drawee's acceptance.

Bills Receivable.
Drawee.

If he draws on time and disposes of the draft for Cash less discount to maturity.

Cash
Discount.
Drawee.

If he draws on time and allows Payee discount to maturity.

Payee.
Discount.
Drawee.

Drawee's Journal.

When he pays demand draft.

Drawer.
Cash.

When he accepts one payable after sight or after date.

Drawer.
Bills Payable.

If he prepays an unaccepted time or sight draft.

Drawer.
Cash.
Discount.

If he prepays an accepted draft.

Bills Payable.
Cash.
Discount.

If he pays an acceptance at maturity.

Bills Payable.
Cash.

Payee's Journal.

When he receives payment of a demand or sight draft	Cash. Drawer.
When he receives at face value an accepted draft.	Bills Receivable. Drawer.
When he receives less discount to maturity an accepted draft.	Bills Receivable. Discount. Drawer.
When he disposes of an acceptance before maturity.	Cash or Indorsee Discount. Bills Receivable.
When he receives payment at maturity.	Cash. Bills Receivable.

Exercise: Give the Journal entry of each party for each of the drafts on p. 70.

INSTRUCTIONS FOR MAY AND JUNE.

The object of this set is to give the student experience in making and receiving payments by use of the Draft. Unless you have made a careful study of the Draft as illustrated on pp. 64 to 66, and worked out the examples following do not attempt the set which follows.

To lessen the clerical work during these two months you will use a three columned Journal. In the left column only merchandise purchases will be entered. The other two columns will be used as previously. In posting from the Journal you will not debit merchandise for each purchase, but at the end of each month, debit merchandise account for the total purchases of the month.

Keep the Bank Account in the Cash Book as in April. Use all books as books of original entry. If you require a fuller explanation than the memo column permits, make an extended explanation in the Journal.

In addition to the accounts you already have had, open accounts for Real Estate, Freight, Advertising, Proprietor's Withdrawal and Salaries.

To the **Real Estate Account** will be charged the cost of land and buildings; also all expenditures or liabilities incurred for such and for all permanent improvements to the same. All expenditures for repairs or maintenance should be charged to **Expense Account**.

Exercise—Bought of John V. Ennis, a farm valued at \$2750. Paid C. C. Jodrey \$75 for improvements to the barn. Received from M. A. E. Hirtle a bill for new plumbing in the house \$72.50. Sold for cash the wood lot on Beaver Hill for \$450. Paid \$47.50 by cheque for digging new drains on lower intervalle. Received from Wm. Blackwood a bill of \$40 for digging a well near the stable. Built a breakwater on east side of brook at a cash outlay of \$30.00. Sold a site for a new school house for \$120 cash. C. F. Smith has completed an ell on the south of the residence. The contract price is \$380. I now value my property at \$2800.

MARITIME DOUBLE ENTRY.

Real Estate.

Cost	\$2750.00	Wood-lot	\$450.00
Improvements to Barn	75.00	School site	120.00
Plumbing	72.50	Inventory	2800.00
New drains	47.50	Loss (red ink)	25.00
Stable well	40.00		
Breakwater	30.00		
New kitchen	380.00		
	\$3395.00		\$3395.00
Asset	\$2800.00		

It is quite possible for an account to have two inventories, one an asset, the other a liability inventory. To illustrate:

- Oct. 1. Paid three months' telephone rent in advance, \$15.
- 5. Paid for postage, \$2.50.
- 6. Received bill for office books, \$27.50.
- 9. Repaired the roof of warehouse, \$35.
- 12. Put in 12 tons furnace coal, invoiced at \$36.
- 13. Paid salaries, \$37.50.
- 18. Sold 2 tons of the furnace coal, \$7.00.
- 23. Repairs to furnace, \$8.75.

Write up foregoing, valuing books, coal and telephone rent, at \$57.50; also note that rent, \$40, and two weeks' salaries, \$37.50, are unpaid.

Expense.

Telephone rent	\$15.00	Coal	\$7.00
Postage	2.50	Inventory (red ink)	57.50
Books	27.50	Loss (red ink)	175.25
Repairing roof	35.00		
Coal	36.00		
Salaries	37.50		
Repairing furnace	8.75		
Inventory (red ink)	77.50		
	\$239.75		\$239.75
Asset	\$57.50	Liability	\$77.50

RENEWALS.

Frequently promisors are unable to redeem in cash their paper at maturity. By reference to p. 68 you will see that one of the ways a bill may be discharged is by Renewal.

Suppose Slack & Slow have a Bill Payable for \$500 maturing today in your favor and have not the funds to meet it. Remember you are entitled to \$500 in cash, therefore they should do one of three things:

- (1) Give you an interest-bearing note.
- (2) Pay you in cash the loss you will sustain if you today sell the new instrument to get the cash you expected.
- (3) Draw the note for a sufficient amount so that if you sell it today you will realize the amount due.

They propose to give you a \$300 note at 70 days and pay the balance in cash.

Entries required in your books:

(1)	In the Cash Book credit Bills Receivable with	\$200.00
	In the Bill Book credit Bills Receivable with	300.00
(2)	In the Cash Book credit Bills Receivable	\$200.00
	Int. and Disc.	3.00
(3)	In the Bill Book credit Bills Receivable	300.00
	In the Journal:	
	Bills Receivable	B. B. \$303.03
	Cash	C. B. 200.00
	Bills Receivable	\$500.00
	Int. & Disc.	3.03

N.B.—Observe the check marks in the folio column.

Consider carefully why the Cash Book and Bill Book must be also checked-marked.

Again: When a written obligation is not paid at maturity, the holder may debit the promisor's account with the amount then due. When he makes a settlement debit him to the credit of negotiating the new promise, crediting him with the cash and making a note in their respective books.

Exercise—Give the necessary entries for above illustrations in the books of:

- (a) promisor.
- (b) holder.

Exercise—Give the promisor's journal entries for the same transactions.

INVESTMENTS

When a person has more ready money than is required for immediate use in the business he looks about for a safe investment. He may increase his Savings Bank Account and get 3% interest compounded half-yearly. If he places it with a bank on a Deposit Receipt he can get about 3% simple interest. Others like to invest it where the returns are likely to be greater. If he invests it in any ordinary partnership undertaking and it proves unsatisfactory he may not only lose the money he invested, but may be called upon as a partner to liquidate the debts of the undertaking. Without going into minute details of the organization of a Limited Company, incorporated by the government of the country, we note that the liability of the individual members of such a company is limited to the par value of the stock for which they subscribed, there being one exception, namely, that shares in banking companies incorporated in Canada carry a double liability. Many business men take such shares in other undertakings and receive any profits that may accrue to them in the form of Dividends.

Below is illustrated a Stock Certificate:

MARITIME DOUBLE ENTRY.

STOCK CERTIFICATE.

Number 9.

Shares 31-35

THE FARMERS' DAIRY COMPANY, LIMITED.

Capital, \$125,000, of 6250 Shares of \$20 each.

THIS CERTIFIES that STANLEY E. O'BRIEN, of Beaver River, is the owner of Five Fully Paid Shares of the Capital Stock of THE FARMERS' DAIRY COMPANY, LIMITED, transferable only on the books of the Company, in person or by Attorney on surrender of this Certificate.

IN WITNESS WHEREOF, the said Company has caused this Certificate to be signed by the duly authorized officers, under the (SEAL) corporate seal of the Company, at Middle Musquodoboit, this first day of May, 1908.

CHARLES A. KILLAM,
Secretary.

G. TALBOT MORTON,
President.

Price List for May and June.

Buying.	Hf. Ch.	SELLING									
		1	2	3	4	5	6	7	8	9	10
60 Ceylon	50 lbs.	60	66	72	76	62	68	74	78	64	70
37 Eng. Breakfast	60 "	50	46	43	49	45	42	48	44	41	47
25 Japan	60 "	25	29	32	26	30	33	27	31	34	28
50 Oolong	50 "	75	69	63	59	73	67	61	57	71	65
	Bags.										
16 Java	150 lbs.	22	25	23	25	23	26	24	26	24	27
16 Maracaibo	150 "	22	23	25	21	23	24	21	22	24	20
25 Mocha	150 "	32	30	32	29	31	29	31	28	30	28
10 Rio	150 "	15	14	12	16	14	13	16	15	13	17

MAY TRANSACTIONS.

May 1. Student, who has been in the Tea and Coffee Business for some time presents the following statement of his affairs:

Assets.

Cash—Box, \$75.40; Bank, \$1024.60. Mdse., valued at \$2700 Store and Lot, \$7500, Maritime Block, City. R. G. Annand, City, owes on $\frac{1}{2}\%$ \$340; he holds the promissory note of J. R. McKenzie, dated at Marble Mountain, April 3rd, at 2 months, for \$300. Office and Store Fittings, \$160. Electros for advertising, \$60. Office Books, etc., \$40.

Liabilities.

The Maritime Tea Co., Ltd., City, on open $\frac{1}{2}\%$, \$425, and they hold his promissory note at 2 months, dated March 13th, for \$775 C. L. Torry, City, has a mortgage on the store and lot for \$3000 dated January 1st, and bearing 5% interest, which is paid up to April 30th.

N.B.—The notes are to be taken at face value.

2. Sold A. R. McClelan, River Philip:
 3 hf. ch. Japan.
 2 " Ceylon.
 2 bags Rio.

- Bot. of Rafuse Bros., City:
 8 hf. ch. Oolong.
 18 " Japan.
 12 bags Rio.
 6 " Maracaibo.
 5 " Java.
3. Sold Anderson & Hebb, Lunenburg:
 3 hf. ch. Japan.
 4 " Oolong.
 2 bags Java.
 3 " Maracaibo.
- Woodworkers, Ltd., Oxford, rendered bill for Office Fittings valued at \$345.
4. Sold R. E. Archibald, Sussex.
 6 hf. ch. Japan.
 5 " Oolong.
 3 bags Java.
 4 " Rio.
- Placed \$2000 insurance on stock at 1½%. Paid for same in cash.
5. Sold L. A. Woodin, New Glasgow:
 8 hf. ch. Japan.
 5 " English Breakfast.
 4 " Oolong.
 3 bags Java.
 2 " Rio.
- Gave Maritime Tea Co., Ltd., to apply on % cheque for \$225.
7. Sold J. H. & F. B. Fulton, Bass River:
 6 hf. ch. Japan
 1 " Ceylon.
 2 bags Mocha.
 3 " Rio
8. Bot. by cheque of A. & W. MacKinlay, Ltd., office books and other requisites for \$17.25.
9. Sold Anderson & Hebb:
 4 hf. ch. English Breakfast.
 3 " Ceylon
 2 bags Mocha
 5 " Rio.
- Received goods from Canadian Grocers Ltd., Montreal:
 20 hf. ch. English Breakfast.
 10 bags Maracaibo.
- Paid in cash freight, \$11.75.
10. Accepted the 15-day sight draft of Woodworkers, Ltd., dated yesterday in favor of R. L. Martin & Co., for \$245.
 Sold to Maritime Cafe, less 3% discount, for cash:

1 hf. ch. English Breakfast	@	50c.
1 " Ceylon		65c
1 bag Mocha		30c
11. Sold Chas. T. McLeod, New Haven:
 2 hf. ch. Japan
 5 " English Breakfast.
 2 bags Rio.
 3 " Maracaibo.
- Drew on Anderson & Hebb for \$300 at 30 days from date, and discounted same at Bank. Proceeds credited Student took for private use \$45 in cash.

MARITIME DOUBLE ENTRY.

12. Sold R. E. Archibald:
 5 hf. ch. English Breakfast.
 3 " Ceylon.
 2 bags Mocha.
 4 " Maracaibo.
 Accepted the 15-day sight draft of Canadian Grocers Ltd., dated
 11th inst., for \$450 in favor of Students' Bank.
14. Sold A. R. McClelan:
 1 hf. ch. Japan.
 4 " English Breakfast.
 2 " Oolong.
 1 bag Rio.
 3 " Maracaibo.
 Drew at 60 days from date on R. E. Archibald for \$730, and discounted
 same at Bank. Proceeds credited.
15. Sold L. A. Woodin:
 2 hf. ch. Japan.
 5 " English Breakfast.
 4 " Ceylon.
 1 bag Java.
 4 bags Mocha.
 2 " Maracaibo.
 Gave Rafuse Bros. a cheque for \$450 and accepted their draft in
 favor of Students' Bank at 15 days from date of invoice for
 balance of %.
 Present your books to Teacher for approval.
16. Sold Burns & Irwin, Sonora:
 1 hf. ch. Japan
 " Oolong
 2 bags K...
 Paid Freem. Bros. \$38.75 cash for general repairs to store.
 Discharged note due today as follows: A new note at one month
 for \$325, and cheque for balance and discount on the renewal.
17. Sold J. H & F. B. Fulton:
 5 hf. ch. English Breakfast.
 2 " Oolong.
 2 bags Java.
 2 " Maracaibo.
 A. R. McClelan remitted Bank Draft for purchases of 2nd and 14th.
 David Roche presented bill for \$35 for painting store and \$65 for
 painting Student's residence.
18. Sold Anderson & Hebb
 1 hf. ch. Japan
 1 " Ceylon
 2 bags Maracaibo
 Bot. of Maritime Tea Co. Ltd
 9 hf. ch. Japan.
 12 " Oolong.
 9 bags Java.
 7 " Mocha
 6 " Rio.
 Maritime Engraving Co. presented bill for Electros, \$7.75, which
 was paid in cash.
 Deposited draft received from McClellan

MARITIME DOUBLE ENTRY.

77

19. Sold A. R. McClelan:

2 hf. ch. Japan.
4 " Oolong.
4 bags Java.
2 " Mocha.

Drew at sight in favor of Student on J. H. & F. B. Fulton for \$500
and left same at bank for collection

N.B.—Only a memo. in Journal is made now.

21. Sold R. E. Archibald

2 hf. ch. Japan
3 " English Breakfast.
2 " Ceylon.
1 bag Mocha.

Drew at 10 days from date on L. A. Woodin, in full of %, and dis-
counted same at bank. Proceeds credited
Paid by cheque draft due today.

22. Sold L. A. Woodin:

6 hf. ch. Japan.
4 " Oolong
3 bags Java.
2 " Rio

R. G. Annand passed to Student to apply on %, less discount to
maturity, a 30-day note for \$160 in his favor made by T G
Saville, City, dated April 30.

23. Bank reports having collected the draft of 19th. Exchange $\frac{1}{2}\%$
Bot of Maritime Tea Co., Ltd.:

12 hf. ch. English Breakfast
9 " Ceylon.
10 " Japan.
16 bags Maracaibo.

The vault door ordered of J. W. Westervelt, London, Ont., invoiced
at \$150, arrived; paid \$6.90 freight in cash.

N.B.—This is to be built in and become a part of the building

24. R. E. Archibald draws attention to the fact that the freight on his
goods should have been prepaid. He paid \$9 60. Sent him a
Credit Note

Gave C. L. Torry a cheque for \$1000 to apply on % of mortgage

25. Paid by cheque Imperial Publishing Co., Ltd., \$37.50 for advertis-
ing in Maritime Merchant

Bot. by cheque Bank Draft in favor of Student, and remitted it to
Canadian Grocers Ltd., to balance %. Exchange $\frac{1}{2}\%$

26. Sold J. H. & F. B. Fulton

2 hf. ch. Japan.
3 " English Breakfast
1 " Ceylon.
1 bag Maracaibo

L. A. Woodin claims that one bag of Java was short-shipped on
22nd. Send it and prepay freight, 47c. in cash

Received from R. G. Annand his cheque to balance his account

MARITIME DOUBLE ENTRY.

28. Sold Chas. T. McLeod:
 3 hf. ch. Japan.
 1 bag Rio.

Received from Anderson & Hebb to balance $\frac{a}{c}$ a draft dated the 26th at 30 days' sight on J. M. Vaughan, which the drawee accepted today.

To discharge draft due today student gave the holders his note for \$200 at 10 days, and paid by cheque balance of draft and discount on note.

29. Sold Burns & Irwin:
 4 hf. ch. English Breakfast.
 3 " Ceylon.
 1 bag Java.
 1 " Mocha.
 1 " Rio.
 3 " Maracaibo.

Received from R. E. Archibald to balance $\frac{a}{c}$, a bank draft for \$150, and a 10 days' sight draft of yesterday's dating on Foster & Behie, which drawees today accept.

Goods ordered of Canadian Grocers Ltd., arrived:
 6 hf. ch. English Breakfast
 12 " Ceylon
 14 " Japan
 16 " Oolong
 3 bags Mocha.
 2 " Java.
 3 " Rio

Paid \$7.55 freight in cash.

30. Sold L. A. Woodin:
 1 hf. ch. Japan.
 7 " English Breakfast.
 4 " Ceylon.
 1 bag Java.
 4 " Mocha.
 2 " Maracaibo.

Received from J. H. & F. B. Fulton, the cheque of C. R. Wentzell, City, in their favor for balance of Fulton's $\frac{a}{c}$.

Paid by cheque draft due today.

Deposited all cheques and bank drafts on hand.

31. Sold A. R. McClelan:
 1 hf. ch. Japan.
 3 " English Breakfast
 1 " Oolong.
 5 " Ceylon
 1 bag Java
 3 " Mocha.

Paid David Roche on $\frac{a}{c}$ by cheque, \$50

Drew a cheque for and paid salaries for month, \$92.50.

Have your books checked Post and take a Trial Balance

Do not close any accounts

JUNE TRANSACTIONS.

June 1. Bot. by cheque a Bank Draft and remitted to J. W. Westervelt in full of amount due. Exchange $\frac{1}{2}\%$.
 Brookfields, Ltd., presented bill for placing vault door and necessary masonry, \$12.50, which was paid in cash.

2. Sold Anderson & Hebb:
 4 hf. ch. Japan.
 3 " Oolong.
 2 " Ceylon.
 2 bags Java.
 1 " Rio.

The maker of the note due today is unable to pay it, so R. G. Annand pays you \$60 cash on the note, and gives his interest-bearing note at 15 days for balance.

Paid to T. G. Cameron by cheque for advertising novelties, \$28.50.

- 4 Sold R. E. Archibald:
 5 hf. ch. Japan.
 2 " English Breakfast.
 6 " Oolong.
 3 " Ceylon.

Burns & Irwin remit a cheque on Students' Bank, Guysboro, in full of account on 31st ult.

Gave Maritime Tea Co., Ltd., a cheque for \$1200 to apply on $\frac{1}{2}\%$.

- 5 Sold J. H. & F. B. Fulton:
 4 hf. ch. Japan.
 2 " Oolong.
 2 bags Rio.

Received from Chas. T. McLeod his cheque on Students' Bank, North Sydney, in full of $\frac{1}{2}\%$.

Deposited the cheques received on 4th and 5th. Exchange on same \$1.35.

- 6 The maker of note due today remits an accepted draft in his favor dated May 30th, indorsed to Student, drawn by J. Arthur Fraser, Oxford, on T. H. Johnson, Halifax, for \$175, at 10 days' sight. The drawee accepted on 31st ult. He also remits his cheque for \$125 on Students' Bank (St. Peters), payable here at par. These are accepted as a discharge for the note.

7. Sold L. A. Woodin:
 8 hf. ch. Japan.
 2 " English Breakfast
 6 " Oolong.
 3 " Ceylon.
 2 bags Java
 1 " Rio.

Bot. of Garnet T. Oxley, 10 shares Cumberland Woollen Mills, Ltd., par value \$100 each at 93.

Gave in payment a demand draft on A. R. McClelan for amount of his (McClelan's) account and cheque for balance.

MARITIME DOUBLE ENTRY.

8. Sold Chas. T. McLeod:

2 hf. ch. Japan.
2 " Oolong.
1 bag Rio.

Gave David Roche a cheque to balance account.

Bot. of the Maritime Tea Co., Ltd.

10 hf. ch. Japan.
10 " English Breakfast.
10 " Oolong.
8 " Ceylon.
3 bags Java.
3 " Rio.

9. Sold A. R. McClelan:

6 hf. ch. Japan.
4 " English Breakfast.
3 " Oolong.
2 " Ceylon.

Received from L. A. Woodin in full of his account on 31st ult, a draft in student's favor dated the 7th, at 5 day's sight, on D. Robert Murray, which drawee this day accepted.

11. Sold R. E. Archibald:

2 hf. ch. Japan.
4 " English Breakfast.
5 " Ceylon.
2 bags Java.

Received cheque from drawees in payment of the draft due today.
Issued cheque for note due today.

12. Sold Burns & Irwin:

4 hf. ch. Oolong.
2 " Ceylon.
1 bag Rio.

Bot. by cheque at Underwriters' Sale, R. R. Hickman, auctioneer

12 hf. ch. Japan	@ 20c.
18 " English Breakfast	30c
17 " Ceylon	50c.

Bot. of Rafuse Bros.:

4 hf. ch. Oolong
8 bags Mocha.
6 " Java.
7 " Rio.

Deposited cheques on hand

13. Received cash for draft due today

R. E. Archibald sends his note at 12 days from today for \$800 to apply on account.

Drew at sight on A. R. McClelan in favor of Woodworkers Ltd., for amount due them, and remitted the draft to them

14. Sold J. H. & F. B. Fulton:

3 hf. ch. Japan.
7 " English Breakfast
4 " Oolong.
6 " Ceylon.
2 bags Maracaibo.

Accepted the draft of Canadian Grocers Ltd., dated the 12th, at 5 days sight, in their favor, and which they indorsed to Students' Bank for collection, for amount due them on 31st ult

MARITIME DOUBLE ENTRY.

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15. Drew at sight on L. A. Woodin in favor of Student for \$500, and left same at bank for collection.
 D. Brown MacDonald presents a 5 days' draft drawn yesterday in his favor by Maritime Tea Co., Ltd., for \$1000 Accepted same.
16. Sold Anderson & Hebb:
 2 hf. ch. Japan.
 6 " English Breakfast.
 1 " Ceylon.
 2 bags Mocha.
 1 " Maracaibo
 The goods ordered of Canadian Grocers Ltd., arrived, viz.:
 15 hf. ch. English Breakfast.
 12 " Oolong
 8 " Ceylon.
 7 " Japan.
 Paid in cash freight, \$9.25.
 Discounted R. E. Archibald's note at Bank Proceeds credited.
18. Sold Chas. T. McLeod.
 1 hf. ch. Japan.
 3 " English Breakfast
 2 " Ceylon.
 1 bag Maracaibo
 The draft due today is paid by acceptor as follows. His 30-day note for \$730, and cheque for balance and discount on new note.
19. Paid by cheque note due today
 Anderson & Hebb remit bank draft in full of account.
 Deposit \$200 in currency also the Bank Draft and cheque on hand.
20. Sold R. E. Archibald
 1 hf. ch. Japan
 2 " English Breakfast
 4 " Oolong
 2 " Ceylon
 2 bags Mocha
 Note due today is paid by cheque.
 Bank reports draft of 15th collected. Exchange $\frac{1}{2}\%$
21. J. H. & F. B. Fulton remitted in full ~~or~~ account a draft at 60 days from June 15th on Rafuse Bros., in student's favor. Passed this to drawees to apply on account They accepted it at face value.
22. Sold L. A. Woodin:
 4 hf. ch. Japan.
 10 " English Breakfast
 2 " Oolong
 5 " Ceylon
 2 bags Mocha
 2 " Rio
 3 " Maracaibo.
 Drew at 10 days' sight in favor of Student on Charles T. McLeod for amount of his account, and sent it to him for acceptance.
 Paid by cheque draft of Canadian Grocers Ltd
 Gave D. Brown MacDonald in payment of acceptance, a 10-day note for \$300, and a cheque for balance and discount on note

MARITIME DOUBLE ENTRY.

23. Sold A. R. McClelan:
 3 hf. ch. Japan.
 5 " English Breakfast.
 4 " Oolong.
 5 " Ceylon.
 Received from Rafuse Bros.:
 8 hf. ch. English Breakfast.
 7 " Ceylon.
 6 " Japan.
 6 " Oolong.
 4 bags Mocha.
 3 " Rio.
 Paid by cheque city taxes at rate of $1\frac{3}{4}$ % on assessed valuations,
 store and goods \$9800; residence and furniture \$4800.
25. Sold Burns & Irwin:
 1 hf. ch. Oolong.
 3 " Ceylon.
 1 bag Maracaibo.
 Received from L. A. Woodin, to balance his account, his cheque on
 Students' Bank, New Glasgow.
 Deposited two cheques on hand. Exchange $\frac{1}{2}\%$ on remitted
 cheque.
26. Goods ordered from Wm. Brooks & Son, Toronto, on the 18th,
 invoiced as follows, have arrived:
 10 bags Mocha.
 8 " Maracaibo.
 10 " Java.
 6 hf. ch. Ceylon.
 10 " English Breakfast.
 A demand draft dated 22nd is attached to B/L. Issued cheque for
 draft. Freight is prepaid.
 Drew on R. E. Archibald at 10 days from date for balance due and
 discounted same at bank. Proceeds credited.
 Exchanged typewriters, paying agent, A. C. L. Macdonald, \$67.50 by
 cheque.
27. Chas. T. McLeod returns draft sent him on 22nd. He accepted
 June 25th, payable at Students' Bank, North Sydney.
 Sold Rafuse Bros. to apply on account 7 shares of stock in Cumber-
 land Woollen Mills, Ltd., at 95
28. R. E. Archibald wires he cannot take up note. Issued cheque for
 same.
 Paid by cheque telephone rent for 2 months, \$7.50.
29. Sold to S. F. Williams for \$1350 cash, the lot adjacent to store.
 Paid W. S. Morrissey, solicitor, \$7.50 cash for preparing legal docu-
 ments.
 Paid in cash sundry office expenses, \$7.25.
 Deposited in bank, \$1280.
30. Paid clerks in cash for services to date, \$107.50.
 Received cheque for acceptance due today.
 Paid by cheque Maritime Transfer Co. for truckage, \$6.13.
 Student withdraws by cheque for private use, \$50.

MARITIME DOUBLE ENTRY.

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Inventories.

Merchandise (at cost):

13	hf. ch.	Japan.
20	"	English Breakfast.
10	"	Oolong.
14	"	Ceylon.
16	bags	Java.
16	"	Mocha.
10	"	Rio.
15	"	Maracaibo.

Furniture and Fixtures, at $7\frac{1}{2}\%$ less than cost.

Real Estate, valued at \$6500.

Advertising, electros, etc., \$50.00.

Expense, office books and insurance premiums paid in advance, \$60.00.

Interest, amount accrued on Mortgage Payable.

Cumberland Woollen Mills Stock, quoted at $92\frac{1}{2}\%$.

Present your books for inspection. Post and take a Trial Balance. Make out a Loss & Gain Statement and Balance Sheet. Close Loss & Gain % into the Withdrawal %.

Exercise.—Using a columnar form, write up in your best style the following exercise and present it to Teacher for approval:

C. R. Manning, C/A	\$4000.00
S. R. Foster, C/A	3000.00
Mdse.	\$3215.40
Real Estate	4500.00
Furniture & Fixtures	736.00
Insurance	34.90
Expense	46.00
Mortgage Payable	3000.00
Mortgage Interest	62.50
Maritime Supply Co.	971.75
Interest & Discount	.76
Bills Receivable	636.20
J. K. Lohnes	195.70
Commission	19.01
I. E. Best	413.15
E. J. O. Fraser	74.50
C. G. Smith	40.50
Bad Debts	56.08
Freight	15.25
Salaries	270.00
H. C. Crowell	103.7
Sales Discounts	92.25
Purchase Discounts	111.35
Collection & Exchange	2.15
Duty	3.30
Bank	1300.00
Cash	60.00
C. R. Manning P/A	89.32
S. R. Foster P/A	77.00

Using the foregoing Trial Balance and the following inventories, prepare a Columnar Balance Sheet, dividing profits in proportion to capital invested.

MARITIME DOUBLE ENTRY.

Merchandise, \$3275; Real Estate, \$4250; Furniture and Fixtures, \$715; Insurance paid in advance, \$25; Expense, books, etc. on hand, \$12 50; Taxes due and unpaid, \$28 50; Mortgage Interest unpaid, \$72.50; Provision for bad debts, \$23.75.

INSTRUCTIONS FOR JULY.

During July you will not keep a Merchandise Account, but keep a Purchase Account, (the total of the Purchase Book), a Sales Account (the total of the Sales Book).

You will keep a Purchase Book in which you will record all vital information re Merchandise purchases. See form below:

Date Goods Received	Folio	From whom sent.	Address	Amt.	Date of Invoice	Terms	When due	Remarks

The columns of the Cash Book for this month will be: Debit Side—Sales Discount, Bills Receivable, General. Credit Side—Purchase Discount, Bills Payable, General.

The Bank account will be kept on the stub of the Cheque Book only. If at any time you overdraw your bank account, show the amount of the overdraft in red ink. Since this is the only record you make of your banking account, exercise the utmost care to enter every transaction and in the exact order of occurrence. Do not forget to present your Bank Book to receive credit each time the bank gets into your debt.

Have a Power of Attorney issued in your favor. Have Teacher sign same and a fellow student act as witness.

When goods are shipped to an agent to sell on commission they are called a **Consignment**. A special account is opened and debited to the value of the goods, and all expenditures made or liabilities incurred on behalf of such goods.

The person shipping the goods is known as the **Principal** or **Consignor**. The person to whom they are sent is known as the **Consignee**, **Agent**, or **Commission Merchant**.

When an agent receives goods to sell he has a lien on them for all disbursements made or liabilities incurred on their behalf.

An **Account Sales** is a document sent by an agent to his principal, showing an itemized statement of the sales and of all disbursements on account of the goods, and his own charges, as commission, storage, advertising, etc., also the **Net Proceeds**, that is, the balance due to the consignor.

The **Net Proceeds** may be remitted with the **Account Sales** or may be placed to the credit of the consignor.

When the **Account Sales** is received by the principal the **Consignment Account** is credited with the **Net Proceeds**. If the proceeds were not remitted the agent is personally charged in the Journal to the **Proceeds**. The balance of the consignment account is, at the time of closing the books, transferred to the **Loss & Gain Account**.

Follow very carefully the illustration below through all the entries. The entries for convenience are given in Journal form, but you should enter them where possible in the usual books. If a sale is entered in the Sales Book it must not be extended into the column, for it might be added in with the sales of your merchandise.

When the goods are shipped the consignor advises the agent of the shipment thus:

Invoice of Shipment of

200 bbls. Apples

20 " Pears

SHIPPED AT Falmouth

PER Students' Railway

CONSIGNMENT TO J. J. Fraser

AT Stellarton

TO BE SOLD ON A/C AND RISK OF W. J. Sangster

FREIGHT—PAYABLE AT Stellarton

DATED AT Falmouth, N.S., Sept. 15/08

When the agent receives a consignment, unless he pays transportation charges, no journal entry is necessary. Why?

**Account Sales of Merchandise Sold on Account and Risk of
W. J. SANGSTER, Esq., Falmouth, N.S.**

By

J. J. FRASER, Commission Merchant

**Sept. 18 Received 200 bbls. Apples
20 " Pears.**

Sales.

20 Sold on %:

70 bbls. No. 1 Kings	\$2.10	\$147.00	
10 " No. 2 "	1.70	17.00	\$164.00

22 Sold for Cash:

100 bbls. No. 1 Kings	\$2.00	\$200.00	
20 " No. 2 "	1.70	34.00	234.00

25 Sold on 10-day note:

20 bbls. Pears	\$5.80	116.00	
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\$514.00

Charges.

18 Freight & Truckage	\$ 18.50
21 Advertising	3.50
22 Truckage to Thorburn	12.00
25 Storage	2.20
Commission, 5%	25.70
	61.90

Net Proceeds subject to draft @ 10 days

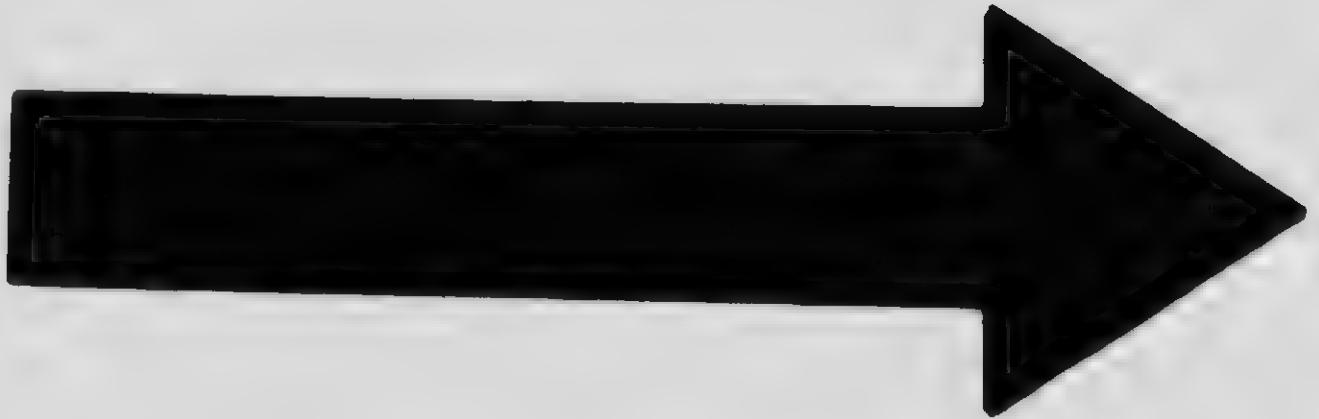
\$452.10

E. & O. E. Sept. 25, 1908,

Stellarton, N.S.

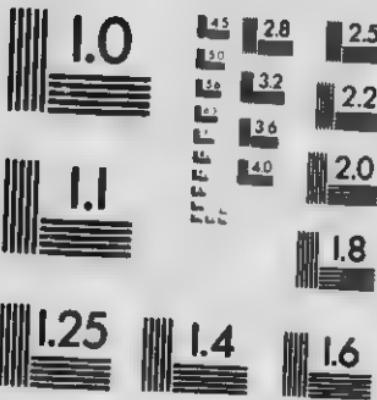
J. J. Fraser,

Consignee.



MICROCOPY RESOLUTION TEST CHART

(ANSI and ISO TEST CHART No. 2)



APPLIED IMAGE Inc

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Rochester New York 14609 USA
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716 288 2489 FAX

MARITIME DOUBLE ENTRY.

Fraser's Journal.

Sept. 18	Sangster's Const.	\$18.50	
	Cash		\$ 18.50
	Paid Freight and Truckage.		
20.	Purchaser	164.00	
	Sangster's Const.		164.00
	Sold (purchaser) on % from Sangster's Const.		
	(Here enter sale that you may have data to render an Account Sales.)		
21.	Sangster's Const.	3.50	
	Cash		3.50
	Paid advertising in Merchants' Review.		
22.	Cash	234.00	
	Sangster's Const.		234.00
	(Itemize sale here.)		
	Sangster's Const.	12.00	
	Expense		12.00
	Delivery teams to Thorburn with Sangster's apples.		
25.	Bills Receivable	116.00	
	Sangster's Const.		116.00
	Sold (purchaser) on his note at 10 days.		
	Sangster's Const.	480.00	
	Storage		2.20
	Commission		25.70
	W. J. Sangster		452.10

Rendered an A/C Sales.

Proceeds subject to a draft at 10 days.

If proceeds had been remitted, what would have been the last Journal Entry?

A Mercantile Agency is a company that makes a specialty of collecting and tabulating information of new businesses established, copartnerships formed, companies organized, transfers of property, assignments by insolvents, judgments against debtors, and such other information as a dealer, who has customers in various parts of the country, would desire to know. For a consideration these companies will send a Weekly Bulletin of such information and other literature, also special reports on individual cases when requested.

Stoppage Intransitu is the right of a vendor to notify the transportation company not to deliver to the vendee goods then in their custody.

When debtors cannot pay one hundred cents on the dollar they effect a COMPROMISE with their creditors, or make an assignment in favor of them. Any loss a creditor may sustain from such cause is charged to **Bad Debts Account**.

At the time of making out the Loss & Gain Statement it is wise to make provision for possible loss on credit previously given. Such an allowance is called a **Doubtful Debt Reserve**. In the Balance Sheet it may be considered an inventory of the Bad Debts Account, or a new account may be opened by means of a Journal Entry—Loss & Gain to D. D. Reserve. Any losses sustained during the next period on accounts now standing on the books will be charged against this account. Losses sustained on any new business will be

MARITIME DOUBLE ENTRY.

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charged to Bad Debts Account. The amount set aside may be a percentage of the total amount due the business or the total of all doubtful debts may be set aside. This is a matter of detail left purely with the management.

July Price List.

BUYING.	SELLING.									
	1	2	3	4	5	6	7	8	9	10
.86½ Boys' Buff Bals. (Balmorals)	67½	80	70	82½	72½	85	75	87½	77½	90
.87½ Boys' Grain Bals.	85	93	99	87	95	1 01	89	97	1 03	91
1 75 Men's Box Calf Bals.	2 15	2 00	1 85	1 75	2 10	1 95	1 80	1 70	2 05	1 90
2.00 Men's Dongola Bals.	1.95	2 15	2 30	2 00	2 20	2 35	2 05	2 25	2 40	2 10
2 00 Men's French Kip Bluchers	2 00	2 06	2 10	2 14	2 18	2 02	2 08	2 12	2 16	2 04
2 62½ Men's Stogo Boots	2 90	2 70	2 55	2 85	2 65	2 50	2 80	2 60	2 45	2 75
1 75 Misses' Glove Grain Bals.	1 00	87½	97½	85	95	82½	92½	80	90	77½
1 25 Women's Pistic Langtry	1 40	1.34	1 30	1 28	1 22	1 38	1 32	1 28	1 34	1 36
1 66½ Women's Dongola Button	1 50	1.65	1 80	1 90	1.55	1 70	1 85	1 95	1 60	1 75
75 Youths' Split Bals.	95	87	81	93	85	79	91	83	77	.89

POWER OF ATTORNEY (GENERAL).

KNOW ALL MEN BY THESE PRESENTS that MARY F. GRAVES of Halifax, has been made, constituted and appointed, and is by these presents made, constituted and appointed the true and lawful attorney of the undersigned ALLISTER CALDER of Springville, in the County of Pictou, for and in the name of the undersigned to draw, accept, make, sign, endorse, negotiate, pledge, retire, pay or satisfy any bills of exchange, promissory notes, cheques, drafts, orders for payment or delivery of money securities, goods, warehouse receipts, bills of lading, securities under Section 88 of the Bank Act, negotiable or mercantile instruments or securities, or written promises to give such warehouse receipts, bills of lading, or securities under Section 88 of the Bank Act which she may think fit, and to receive and dispose of the proceeds thereof; also from time to time to discount or pledge any commercial paper or other securities, goods or chattels, warehouse receipts or bills of lading as aforesaid with THE STUDENTS' BANK; also to obtain advances or loans from the said Bank either alone or jointly with others; also from time to time to draw on the account of the undersigned with the said Bank, and to overdraw the same if she shall think fit, and generally for and in the name of the undersigned to transact with the said Bank any business matter or thing she may think fit; and the said Bank may continue to deal with the said attorney until notice of the revocation hereof has been given in writing to the Manager of the said Bank at which the account of the undersigned is kept, and the receipt of such notice duly acknowledged in writing; and until such notice in writing has been given and acknowledged, all that the said attorney shall do or purport to do by virtue hereof is fully ratified and confirmed.

IN WITNESS WHEREOF these presents have been signed, sealed and delivered by the undersigned the 1st day of September, 1908.

Signed, Sealed and Delivered
in the presence of
VERNON W. PARRISH.

ALLISTER CALDER (Seal.)

MARITIME DOUBLE ENTRY.

JULY TRANSACTIONS.

July 2. F. A. Hayes and James Olding, who have been conducting separate Boot and Shoe businesses, have decided to form a copartnership under the name and style of F. A. Hayes & Co. Student is engaged as bookkeeper at a salary of \$45 per month, and a Power of Attorney is duly issued by firm. Mr. Olding's time will not be required, and Mr. Hayes, who will devote his whole attention to the business, is to receive a salary of \$100 per month. The profits are to be divided in proportion to the capital invested. As the capital accounts are to be left intact, private accounts are to be kept for all withdrawals. All personal accounts and notes are guaranteed by the partner in vesting same.

F. A. Hayes' Assets are:

Goods on hand	\$2166.75
Store and Lot	4600.00
Sharp & Black, Sydney, owe on %	240.00
Leo E. Hanrahan, City, owes on %	115.25
Store Fittings	550.00
Insurance paid in advance	27.50
Office Books and Stationery	15.00
Cash in Students' Bank	1200.00
Cash in box sufficient to make his net investment \$5000	

His Liabilities are:

Alex. Montgomerie holds a mortgage dated Feb. 1st, with 5 mos. int. unpaid, for	3000.00
Maritime Boot & Shoe Co. Ltd., City, on %	530.00
City Taxes due and unpaid	55.00
Fraser & Purdy, Oxford	314.00

James Olding's Assets are:

6% interest-bearing note of T. F. Butler, Westville payable at Students' Bank, Westville, 30 days after June 7	365.00
F. O'D. Grimm, Springfield, owes on %	475.70
A. B. Wilson, New Glasgow, owes on %	423.30
Goods per inventory	1519.50
Store Fixtures	230.00
Insurance paid in advance	20.00
His cheque on Traders' Bank to make his net investment \$2000.	

He owes:

M. A. Durland Mfg. Co., City	540.00
J. A. Hennessy holds his 60-day note, dated May 13th, payable at Traders' Bank	500.00
Geo. A. Parker, Shubenacadie, on %	125.00

N.B.—The accrued interest on the mortgage and Butler's note to be considered, but all other items to be taken at face value.

MARITIME DOUBLE ENTRY.

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Sold R. J. Zwicker, La Have:

12 prs.	Boys' B. Bals.
18 "	Misses' G. G. Bals.
15 "	Boys' G. Bals.
24 "	Men's Box Calf.
18 "	Women's Pebble Langtry.
24 "	Men's Dong. Bals.

Received from F. O'D. Grimm his note at 10 days from 30th ult. in settlement of purchase of 23rd ult., \$280, less 3% discount. Sold for cash to Fraser Bros., a Silent Salesman from Mr. Olding's store fittings for \$177.50.

Deposited in Students' Bank, Hayes' and Olding's cheques, and \$200 in currency.

3. Sold Sharp & Black, Sydney:

20 prs	Boys' B. Bals.
12 "	Misses' G. Bals.
12 "	Men's Box Calf.
15 "	Women's D. Button.
24 "	Men's Stogas.
18 "	Men's D. Bals.

Bought of H. M. Sabean a typewriter for \$130—less 5% if paid in 10 days.

Having transferred Mr. Olding's effects to our premises where the insurance rate is cheaper, we received from G. M. Doody, agent, his cheque for \$2.60 rebate. The policy is endorsed to cover property at the present address.

4. Sold Annand Bros., City:

30 prs.	Men's Box Calf.
20 "	Women's D. Button.
24 "	Men's F. Kip.
20 "	Women's Pebble Langtry.

Paid by cheque Maritime Boot & Shoe Co., Ltd., for invoice of 27th ult., \$385 less 5%.

Completed arrangement with Eureka Slipper Co., Toronto, to handle their goods on a commission basis. Received their first shipment.

Paid freight and truckage, \$7.15 in cash.

Endorsed Doody's cheque to Mr. Olding.

5. Sold R. S. Reid & Bro., Milford:

18 prs.	Boys' G. Bals.
12 "	Youths' S. Bals.
36 "	Men's Box Calf.
24 "	Women's Dong. Button.

Students' Bank presents to firm for acceptance a draft drawn on them by H. W. Doyle, Sydney, in favor of himself and endorsed to bank, dated 3rd inst. at 3 days' sight for \$75. This is for a private debt of Mr. Olding's. The firm accept.

Left T. F. Butler's note at bank for collection.

6. Sold E. F. Rogers, Stellarton:

20 prs.	Boys' B. Bals.
10 "	Misses' G. Bals.
30 "	Men's Box Calf.
40 "	Women's Dong. Button.
28 "	Women's Pebble Langtry.
40 "	Men's Dong. Bals.

MARITIME DOUBLE ENTRY.

Prepaid freight in cash, \$3.15.
 Bot. of Maritime Boot & Shoe Co., Ltd.:
 80 prs. Misses' G. Bals.
 60 " Boys' G. Bals.
 40 " Men's F. Kip. Bluchers.
 75 " Women's Dong. Button.
 40 " Men's Stogas.
 160 " Men's Box Calf.
 228 " Women's Pebble Langtry.

7. Sold B. A. Caldwell, Amherst:

14 prs. Misses' G. Bals.
 ■ " Boys' G. Bals.
 12 " Youth's S. Bals.
 10 " Women's Dong. Button.
 12 " Men's F. Kip.
 18 " Women's Pebble Langtry.
 12 " Men's Stogas.
 6 " Men's Dong. Bals.

Drew on Sharp & Black at 15 days from 2nd for \$240, and discounted same at bank.

F. A. Hayes drew by cheque \$52.50.

9. Sold R. J. Zwicker:

6 prs. Boys' B. Bals.
 24 " Youths' S. Bals.
 20 " Women's Dong. Button.
 24 " Men's F. Kip.
 30 " Men's Stogas.

Drew on R. S. Reid & Bro. at 3 days' sight for \$125, and sent same to G. A. Parker in settlement of his account.

Maker of note due tomorrow wires asking us to hold it 10 days, to which we agree. Wire bank at Westville to hold the note till 20th. Paid 25c. for telegram.

10. Sold J. W. Sutherland, Westville:

18 prs. Boys' B. Bals.
 12 " Misses' G. Bals.
 24 " Boys' G. Bals.
 16 " Youths' S. Bals.
 30 " Women's Dong. Button.
 24 " Men's F. Kip.
 16 " Women's Pebble Langtry.
 12 " Men's Box Calf.
 20 " Men's Stogas.
 30 " Men's D. Bals.

Accepted H. M. Sabeans Sight Draft (see 3rd) dated 7th, in favor of himself and indorsed to Students' Bank.

Bot. of The M. A. Durland Mfg. Co.:

125 prs. Youths' Split Bals.
 100 " Men's F. Kip.
 120 " Men's Stoga Boots.

11. Sold Annand Bros.:

10 prs. Women's Dong Button.
 6 " Men's F. Kip.
 10 " Women's Pebble Langtry.
 15 " Men's Stogas.
 15 " Men's Dong. Bals.

Paid by cheque draft due today.

Received from Sharp & Black their cheque on Students' Bank, Sydney, for \$150, to apply on purchase of 3rd.

Received from A. L. Currie, Montreal:

180	prs. Boys' G. Bals.
120	" Youths' Split Bals.
150	" Men's Dong. Bals.
132	" Women's Dong. Button.

Freight prepaid. Terms $2\frac{1}{2}\%$ 10 days, net 30 ds.

12. Sold B. A. Caldwell:

30	prs. Boys' B. Bals.
16	" Misses' G. Bals.
18	" Boys' G. Bals.
12	" Youths' S. Bals.
20	" Men's Box Calf.
10	" Women's Dong. Button.
16	" Men's F. Kip.
10	" Women's Pebble Langtry
18	" Men's Stogas.
24	" Men's Dong. Bals.

Received from Dominion Rubber Co., Montreal, a shipment of rubbers to be sold on commission. Freight prepaid. Truckage paid in cash, \$1.00.

Paid by Cheque the demand draft, dated yesterday, of Maritime Boot & Shoe Co., Ltd., in favor of Students' Bank, for invoice of 6th, less 5% discount.

13. Paid by cheque draft due today.

Paid by cheque City Taxes (See 1st July) also on Mr. Hayes' private property, \$37.50.

Sold Sharp & Black:

4	prs. Boys' B. Bals.
12	" Misses' G. Bals.
6	" Men's Box Calf.
3	" Women's D. Button.
14	" Men's Stogas.
20	" Men's D. Bals.

Received Bank Draft for note due today.

Deposited Sharp & Black's cheque (25c. Exchange) and bank draft received today.

Accepted Fraser & Purdy's draft at 5 days' sight for amount of their account less 2%. Draft was drawn on 11th in favor of themselves and indorsed to H. F. Bethel.

Gave M. A. Durland Mfg. Co. to apply on $\frac{1}{2}$ a cheque for invoice of 28th ult., \$325 less 5%.

14. Sold R. S. Reid & Bro.:

6	prs. Boys' G. Bals.
12	" Youths' S. Bals.
12	" Men's Box Calf.
24	" Women's Dong. Button.

MARITIME DOUBLE ENTRY.

Sold Annand Bros., less .5% for cash, following Eureka Slippers:

20 prs. Ladies' Bedroom	@	\$.55
30 " Gents' Bedroom		.70
20 " Eureka Special		1.15
16 " Ladies' Delight		1.00
20 " Ladies' Comfort		.75

(Journalize this sale, debiting Annand Bros. and crediting Eureka Slipper Co.'s consignment. It is always best to pass all transactions with a regular customer through his ledger account.) Paid clerks' salaries to date, \$72.50, in cash.

16. Sharp & Black wire for 15 prs. Men's Dongola Bals. @ \$1.90, and 12 prs. Women's Dongola Button @ \$1.50. Send same.

Received from R. S. Reid & Bro. their note at 7 days from 14th, in full of their %. Their purchases are subject to 3% discount. Refer to your cheque book for balance you have in bank. To pay the note due you get permission to draw at 10 days from date on Mr. Hennessy in favor of your Bank for \$300, payable at your Bank. Discount this draft. Now issue your cheque in favor of Traders' Bank for amount of the old note. Get the cheque certified by your Bank.

17. Sold Annand Bros.:

12 prs. Boys' B. Bals.		
18 " Youths' S. Bals.		
36 " Men's Box Calf.		
24 " Women's Dong. Button.		
20 " Men's Dong. Bals.		

Annand Bros. gave cheque less 3% for invoices of 4th and 11th. Sold J. Noble Foster, City, on % from Dominion Rubber Co.'s goods:

40 prs. Men's Storm King	@	\$.80
25 " Women's Storm King		.60
30 " Men's Overs		.90
40 " Women's Favorite		.65

18. Sold J. W. Sutherland:

6 prs. Misses' G. Bals.		
12 " Boys' G. Bals		
20 " Youths' S. Bals.		
18 " Men's Box Calf.		
6 " Men's F. Kip.		
14 " Women's Pebble Langtry.		
22 " Men's Stogas.		
12 " Men's Dong. Bals.		

Having received from Maritime Mercantile Agency an unfavorable report on Sharp & Black, we wire Railway Agent, at Sydney, to hold, subject to our order, the goods shipped on 16th. Paid 40c. for telegram.

F. A. Hayes took for private use, 1 pr. Dongola Bals. \$1.75, 1 pr. Box Calf, \$1.60.

Received instructions from B. A. Caldwell to draw on demand, less 3% discount in full of account. Drew in favor of ourselves and left same for collection.

19. Deposited Annand Bros.' cheque.

Sold Guy G. Maskell, Jeddore, on his note at 15 days, payable at Students' Bank, City, from Eureka Slipper Co.'s goods:

30 prs. Gents' Eureka Slippers	@ \$.95
15 " Ladies' Eureka Slippers	.75
12 " Ladies' Bedroom	.60
20 " Ladies' Delight	1.10
60 " Gent's Comfort	.90

Rendered Eureka Slipper Co. an Account Sales. Charged 5% commission.

Remitted net proceeds by Bank Draft. Cost of Draft, 25c., is deducted from proceeds. Paid for draft by cheque.

20. Sold T. M. Pattillo, Truro.

6 prs. Misses' G. Bals.
10 " Youths' S. Bals
10 " Men's Box Calf
20 " Women's D. Button
12 " Women's Pebble Langtry
12 " Men's Stogas.
24 " Men's D. Bals.

Sharp & Black having dishonored their paper due today (see July 7th), we issue our cheque for same.

Drew at 10 days from date on J. W. Sutherland in full of account, less 3%, and discounted same at Bank.

Purchased by cheque a Bank Draft in full settlement of A. L. Currie's account and remitted same. Exchange 1%.

21. Bank reports Caldwell's draft, and Butler's note with interest to the 20th, paid. Exchange 1% in each case.

Sold R. J. Zwicker:

20 prs. Boys' B. Bals.
20 " Misses' G. Bals.
15 " Boys' G. Bals.
6 " Youths' S. Bals.
6 " Men's Box Calf.
10 " Women's D. Button.
6 " Men's F. Kip.
12 " Women's P. Langtry.
6 " Men's Stogas.
12 " Men's D. Bals.

Paid Students' Bank by cheque for draft due today.

Sold B. A. Caldwell on account from Dominion Rubber Co.'s goods:

50 prs. Men's Perfection	@ \$.95
40 " Women's Special	.70

Prepaid freight in cash, \$1.35.

N.B.—Remember your business should not bear this expense.

Rendered an Account Sales. Commission at 5%. Net Proceeds subject to sight draft.

23. Sold Annand Bros.:

12 prs. Misses' G. Bals.
18 " Boys' G. Bals.
12 " Women's Dong. Button.
30 " Men's Stogas.
10 " Men's Dong. Bals.

MARITIME DOUBLE ENTRY.

Bot. of Maritime Boot & Shoe Co., Ltd.

152 prs. Boys' G. Bals.
180 " Boys' B. Bals.
240 " Youth's Split Bals.
150 " Men's Stogas.

Received from J. W. Sutherland a Bank Draft dated 21st, in full of invoices of 10th and 8th, less 3%.

24. Sold E. F. Rogers:

10 prs. Misses' G. Bals.
20 " Men's Box Calf.
10 " Women's Dong. Button.
40 " Men's F. Kip.
12 " Women's Pebble Langtry.
40 " Men's Stogas.

Note due today is paid in Cash.

Wire freight agent, Sydney, to deliver to H. W. Doyle, the goods shipped to Sharp & Black on the 16th. Telegram 35c. paid in cash. Charge Mr. Doyle at same price as invoiced to Sharp & Black.

Received from R. J. Zwicke, to apply on account, his cheque on Students' Bank of Lunenburg, payable at par at Halifax, for \$400.

25. Effectuated a compromise with Sharp & Black at 60c. on the dollar. Received bank draft for amount of our claim. (Note carefully the terms in the articles of copartnership re debts due to and invested by the partners.)

Received from A. B. Wilson in full of % (which is subject to a 3% discount) a draft in her favor dated 10 days ago, payable at Students' Bank 12 days after date, on M. A. Durland Mfg. Co., and accepted on the 20th.

Bank returns unaccepted the draft on Sutherland. (See July 20th.) Issued our cheque for same.

Deposit Bank Draft. and cheque on hand.

26. Having neglected to prepay freight on goods to E. F. Rogers, we sent him a credit notice for \$2.75.

Accepted Dominion Rubber Co.'s sight draft dated 24th in the favor of Students' Bank in full of account.

Received from Leo E. Hanrahan in full of his indebtedness, his note at 10 days from 16th.

Paid in cash Jas. Olding's life insurance premium, \$60, to Mutual Life of Canada.

27. Received of E. F. Rogers in full of % his 60-day note, dated date of last sale.

Sold T. M. Patillo:

16 prs. Boys' B. Bals.
10 " Misses' G. Bals.
20 " Boys' G. Bals.
10 " Youth's S. Bals.
30 " Men's Box Calf.
20 " Women's Dong. Button.
36 " Men's F. Kip.
24 " Women's Pebble Langtry.
48 " Men's Stogas.
36 " Men's Dong. Bals.

Gave J. A. Hennessy a cheque in full of %.

28. Received from Annand Bros. in full of purchases of 17th and 23rd.
their cheque less 3%.
- T. M. Pattillo remits in settlement of his account, less 3%, a bank draft.
Deposit draft and cheque on hand.
Paid \$3.39 for postage and telegrams.
30. Paid by cheque draft due
Passed to acceptors to apply on our $\frac{1}{2}$ their acceptance due today.
Note due today is paid in cash.
31. Paid by cheque Maritime Transfer Co's bill for July truckage,
\$29.35.
J. Noble Foster pays in cash his account.
Paid clerks and bookkeeper in full to date, \$97.50 by cash.
Deposit all cash on hand.
Credit Mr. Hayes with month's salary.

Inventories.

Merchandise:

442	prs.	Boys' B. Bals.
40	"	Misses' Glove G. Bals.
186	"	Boys' G. Bals.
463	"	Youths' Split.
409	"	Men's Box Calf.
263	"	Women's Dong. Button.
96	"	Men's F. Kip. Bluchers.
210	"	Women's P. Langtry.
279	"	Men's Stogas.
109	"	Men's Dong. Bals.

Real Estate, at cost.

Furniture and Fixtures, valued at \$700.

Insurance, paid in advance \$22.50.

Expense books, etc., \$10; water taxes unpaid, \$27.50.

Mortgage Interest, 6 months unpaid.

Doubtful Debt Reserve—Allow 5% of Accounts Receivable for possible loss.

N.B.—After your books have been examined, post and take a Trial Balance. Note carefully the conditions of co-partnership agreement. Make out Loss and Gain and Balance Sheet. Close your Loss and Gain Account into the partners' private accounts. Balance only the Loss and Gain Accounts.

Aug 1. Having received a satisfactory offer for the business premises it was mutually agreed to sell the same to the Maritime Supply Co. and dissolve the partnership.

Sold Stock on hand to Crowell & MacDonald at an advance of 10% of cost. Received in payment their cheque which we deposit.

We pay off mortgage and accrued interest to date, and three months' interest in advance, not having given mortgagee prior notice.

Pay water taxes by cheque.

The purchasers pay by certified cheque for store and lot, \$5250.

Paid George H. Holter, our solicitor, by cheque \$18.75 for legal documents and disbursements.

Sold Store Fittings to Gunn & Rice on their cheque at inventory valuation.

Returned to insurance agent insurance policies and received in cash \$15 rebate.

MARITIME DOUBLE ENTRY

Mr. Hayes agrees to take all open accounts less 5% for possible loss and cost of collection.

Mr. Olding takes all Bills Receivable less 6% discount to maturity Deposit all currency and cheques.

Paid Maritime Boot & Shoe Co., Ltd., by cheque, balance due them

N.B.—The firm is entitled to discount on last purchase only.

M. A. Durland Mfg. Co. agrees to accept in full settlement a cheque for balance due, less 2½% discount.

Post and take a Trial Balance.

Complete Balance Sheet.

Close Loss & Gain Accounts.

Close Proprietors' Private Accounts into their Capital Accounts.

Issue to each partner a cheque for the amount due. Close all Ledger Accounts.

REVIEW EXERCISES

Refer to your Cash Book for May and June and rewrite these two months in Single Entry style.

Rewrite your July Cash Book in Single Entry style.

Refer to your July work for data and render in your best style and enclose in properly addressed envelopes Account Sales for the two consignments which the firm handled during that month.

Write a notice for publication in the daily papers of the dissolution of the co-partnership between Messrs. Hayes & Olding.

The firm gives you a letter of recommendation. Write same and present it to your teacher for the firm signature.

Dunlop and Wilson are partners in a mining town, having invested in ratio of 2/5 and 3/5 respectively.

Owing to a depression during a strike they are at the end of a given year insolvent. Twelve months later the following facts are extracted from their books :

Mdse. on hand, \$3660 ; Salaries due Clerks, \$60 ; Bills Payable, \$1875 ; Cash on hand, \$230 ; Accounts Receivable, \$775 ; Wilson had paid the firm taxes and insurance, \$310 ; Rent due and unpaid, \$90 ; Dunlop's Life Insurance, \$152, had been paid by him ; A/cs Payable, \$2725 ; Insurance prepaid on stock, \$18 ; Bills Receivable on hand, \$525. There stands at credit of Profit and Loss Account, \$1800. Show insolvency of each partner a year ago.

MARITIME DOUBLE ENTRY

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FINANCIAL STATEMENTS.

Another style of stating the Losses & Gains and Assets & Liabilities is illustrated on pp. 98 and 99. To these forms the students should give very careful consideration. This style is largely used by concerns wishing to publish their statements. Many contend that to one not skilled in the science of accounts this form of stating the position of the business conveys a clearer idea than the columnar form illustrated on p. 52.

After working out the example which follows, the student will show in this style the exercise given on p. 100.

TRIAL BALANCE, December 31, 1908.

R. M. Smith (partner)		\$ 8,000
C. R. Smith (partner)		4,000
Purchases	\$28,400	
Sales		24,800
Duty	450	
Freight	980	
Real Estate	11,250	
6% Mortgage Payable		6,000
Mortgage Interest	180	
Advertising	426	
Purchase Discounts		485
Sales Discounts	252	
Commission		152
Taxes & Insurance	240	
Expense	1,025	
Bills Receivable	382	
Bills Payable		1,776
A/cs Receivable	1,383	
A/cs Payable		1,465
Int. & Disc.	313	
Cash	915	
Salaries		1,675
Bad Debts	105	
R. M. Smith, W/A	465	
C. R. Smith, W/A	237	
	\$48,678	\$48,678

Inventories—Goods on hand Dec. 31/08, \$7,650; Real Estate, present value, \$11,000; a half year's interest on mortgage due and unpaid; Advertising prepaid, \$125; unexpired Insurance, \$75; Office Books, etc., \$90; Interest on overdue Accounts Payable unpaid, \$15.10; Salaries due partners, \$125 and \$100 respectively.

It is agreed by partners to make a provision for a possible loss of 6% on Accounts and Bills Receivable, and to share Losses and Gains in proportion to capital invested.

MARITIME DOUBLE ENTRY.

LOSS and

Purchases		\$28,400.00
Duty		450.00
Freight		980.00
Real Estate	depreciation	250.00
Mortgage Interest	paid	\$ 180.00
	due	180.00
Advertising	paid	\$ 426.00
	prepaid	125.00
Sales Discount		301.00
Taxes and Insurance	paid	\$ 240.00
	unexpired	75.00
Expense	cost	\$1025.00
	inventory	90.00
D. D. Reserve	6% Accts. and B. Rec.	105.90
Interest and Discount	paid	\$ 313.00
	due on overdue a/cs	15.10
Salaries	paid	\$1675.00
	due	225.00
Bad Debts		1,900.00
Net Gain		105.00
		555.00
		\$35,087.00
R. M. Smith	2/3 Net Gain	\$370.00
C. R. Smith	1/3 Net Gain	185.00
		\$555.00

BALANCE

Assets.

Goods	per inventory, Dec. 31/08	\$ 7,650.00
Real Estate	cost	\$11,250.00
	less depreciation	250.00
		11,000.00
Advertising	prepaid	125.00
Taxes and Insurance	unexpired	75.00
Expense	inventory	90.00
Bills Receivable		382.00
Accounts Receivable		1383.00
Cash		915.00
		\$21,620.00

MARITIME DOUBLE ENTRY.

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GAIN STATEMENT, December 31/08.

Sales		\$26,800.00
Purchase Discounts		485.00
Commission		152.00
Goods	inventory, Dec. 31/08	7,650.00
		<hr/>
		\$35,087.00
Profits for distribution		<hr/>
		\$555.00
		<hr/>
		\$555.00
		<hr/>

SHEET, December 31/08.
Liabilities.

To Public:

Mortgage Payable		\$6000.00
Mortgage Interest	due and unpaid	180.00
Bills Payable		1776.00
Accounts Payable		1465.00
Int. & Disc't.		15.10
		<hr/>
		\$ 9,436.10

To Proprietors:

R. M. Smith	Capital Acct.	\$8000.00
C. R. Smith	Capital Acct.	4000.00
D. D. Reserve		105.90
R. M. Smith	W/A	\$465
	salary due	\$125
	½ Gain	370
		495
		30.00
C. R. Smith	W/A	\$237
	salary due	\$100
	½ Gain	185
		285
		48.00
		<hr/>
		12,183.90
		<hr/>
		\$21,620.00
		<hr/>

MARITIME DOUBLE ENTRY.

MISCELLANEOUS TESTS.

Prepare a Trial Balance, Loss & Gain Statement and a Balance Sheet from following information concerning the books of Harris & Hiltz, as closed December 31st, 1908:

J. D. Harris, \$15,000; J. V. Hiltz, \$15,000; Bills Payable, \$2,789; Bills Receivable, \$496; Stock, 31st December, 1907, \$17,810; Machinery A/c, \$16,924; Real Estate and Buildings, \$4,926; Purchases, \$33,897; Book Debts, \$6,600; Wages, \$20,929; Sundry Creditors, \$2,297; Sales, \$78,943; Office Furniture and Fittings, \$1,140; Duty, \$425; Rent, \$1,500; Cash in hand and in bank, \$426; Power, light and heat, etc., \$1,364; Commissions paid, \$1,141; Travelling Expenses, \$629; Disct. off purchases, \$496; Discounts to customers, \$782; Freight, \$1,429; Rebates allowed to customers, \$376; Fire Insurance, \$484; Interest and bank charges, \$296; Horse keep, \$350; Sundry Expenses, \$1,281; Royalties paid, \$462; Advertising, \$391; Bad Debts written off, \$467; Stock on hand 31st December, 1908, \$18,126. Provide 5% on Book Debts to cover Bad Debts and Discount. Write 6% depreciation off Machinery and Office Fittings. Carry forward Fire Insurance unexpired, \$175. Provide for three days' wages, \$125. Real Estate, valued at \$4,800.

From following data prepare a Trial Balance, Profit & Loss Statement and Balance Sheet for year ending December 31/08:

J. Farquharson (Cap. A/c), Cr. \$20 000; L. S. McKenzie (Cap. A/c), Cr. \$30,000; Cash on hand, \$2,200; Notes on hand, \$8,000; Notes Payable outstanding, \$6,000; Accounts Receivable, \$12,000; Accounts Payable, \$10,000; Goods on hand, Dec. 31st, last year \$9,000; Purchases, \$89,000; Sales, \$80,000; Wages, \$4,000; Farquharson's private a/c, Dr. \$2,000; McKenzie's private a/c, Dr. \$3,000; Expense a/c, \$1,200; Rent, \$1,200; Interest, \$600; Machinery, cost \$13,800; Goods on hand at this date, \$30,000; Interest accrued on Bills Payable, \$45. Make provision for possible loss of 6% on Accounts Receivable; allow 5% interest on Capital A/cs. Allow Farquharson \$1,500 and McKenzie \$1,800 salary for past year, these amounts remaining unpaid. Allow 10% for depreciation on machinery. Expense, coal, etc., \$380. Wages unpaid, \$115.

A Chartered Accountant gave one of his staff a Trial Balance and the amount of stock as on June 30, 1916, instructing him to prepare therefrom a Profit and Loss Account and Balance Sheet, after crediting partners with 5% on their capital. The following statements were the result. Redraw them correctly.

PROFIT AND LOSS ACCOUNT FOR HALF-YEAR ENDING 30TH JUNE, 1916

To Purchases.....	\$29,848	By Sales.....	\$37,327
" Stock, June 30/16.....	3,674	" Int. on Partners' Capit...	
" Partners' Drawings.....	1,278	" ital.....	250
" Rent.....	261	" Stock, Jan. 1/16.....	3,354
" Salaries.....	624	" Commission received....	1,866
" Wages.....	4,372		
" General Expenses.....	1,165		
" Interest on Loan.....	243		
" Balance, being Net Profit carried to Balance Sheet.....	1,582		
			\$43,047
			\$43,047

BALANCE SHEET, 30TH JUNE, 1916

To Creditors.....	\$13,005	By Debtors.....	\$17,439
" Bills Receivable on hand	8,676	" Cash at Bank.....	3,481
" Partners' Capital, Jan. 1/16.....	10,000	" Cash in Hand.....	63
" Net Profit brought from Profit and Loss Ac- count.....	1,582	" Loan from Bank.....	5,000
		" Stock, June 30, 16.....	3,674
		" Bills Payable.....	3,606
	\$33,263		\$33,263

TRADING ACCOUNT.

In the earlier chapters of this text to the Expense Account were charged all items relative to the cost of the operation of the business whether these charges might possibly contain some element of asset which, in the event of the discontinuance of the business, might be recovered or not. Later we began to separate or classify these Expense disbursements into, Wages—for physical labor—, Salaries—for clerical help and partner's services—, Furniture and Fixtures, etc. Later was developed the idea of Capital and Revenue expenditures, by which the student was taught to note that certain outlays increased the asset value of the business, while others should be paid out of the current income for that particular time. It is difficult to state exactly what outlays may be considered Capital Expenditures and what Revenue Expenditures, for what in one instance is a Revenue Expenditure may very justly, in another instance, be Capitalized, that is, considered a part of the investment in the business.

A further classification of the Loss & Gain accounts will show if the main purpose of the business has been a financial success or not. The income from Sales is frequently quite adequate, but the operating and other expenses are excessive and out of proportion to the turnover of the business. That the proprietor may know the ratio of Expense to Income, also the cost of each department of the business as a whole, it is proposed to further break up the Loss & Gain account into Trading Account and pure Loss & Gain account. If the business is a manufacturing concern it may be further subdivided to show the Manufacturing Account, that is, the cost of producing the articles, then the cost of marketing them, that is, the Trading Account, then the Net Profit after all the charges have been considered.

There are no set rules to what items go into the Trading Account and what into the Loss & Gain account. Regard in every instance must be had to the nature of that particular business and its purpose. In a General Merchandising business to the debit of the Trading Account must be placed the cost of goods bought—less returns and rebates—freight, duty, wages, taxes and insurance on goods in stock, warehouse rent, etc. To the credit of that account will be placed the Sales—less rebates and returns—freight out, also the inventory of goods on hand at the date of closing. The Office Expenses, Salaries, cost of financing the business, that is Interest and Exchange, Depreciation, Purchase and Sales Discounts, Auditor's Fees, etc., will go in the Loss & Gain section.

Note the style of the following pro forma Trading Account:

TRADING ACCOUNT, June 30, 1916.

Stock—Dec. 31/15	—	Sales	—
Purchases	—	Less Returns	—
Less Returns	—	Rebates	—
Rebates	—	Freight out	—
Freight	—		
Duty	—	Stock on hand, June 30	—
Wages	—		
Insurance on Stock	—		
Light & Heat	—		
To Profit & Loss	—		

On Jan. 1/13 the Bluenose Dairy Co., Ltd., was incorporated with a capital of \$15,000 and immediately took over the Musquodoboit Butter Company's business as a going concern, paying \$500 for goodwill in addition to the other specified assets. From the information which follows, prepare a Trading Account, Loss and Gain Accounts, and a Balance Sheet for second year's business :

Land and Buildings \$2,275, Plant and Machinery \$3,500, Fuel and Lubricating Oil \$115, Milk Purchases \$12,416, Milk Drayage \$1,050, Cans and Loose Apparatus \$265, Wages \$850, Tubs and Cases \$516, Butter Sales \$16,572, Cream and Buttermilk Sales \$375, 5% Mortgage Payable (Jan. 1/14) \$1,200, Taxes and Insurance \$68, Collection and Exchange \$34, Cash \$86, Bank \$684, Mortgage Interest \$30, Sundry Debtors \$3,620, Sundry Creditors \$1,468, Office Expense \$165, Goodwill \$500, Sales Rebates \$46, Sales Discount \$176, Manufacturing Expenses \$181, Commission (Dr.) \$103, Bills Payable \$392, Bills Receivable \$1,537, Freight and Truckage \$375, Dividend No. 1 \$48, Interest and Discount (Dr.) \$29, Advertising \$225, Paid-in-capital \$12,000, Auditor's Fees \$75, Plant Repairs \$39, Bad Debts \$156, Bank Collections \$1,139, 3% Deposit Receipt (Sept. 1/14) \$1,800.

Inventories : Land and Buildings \$2,200 ; Plant Repairs and the fact that a considerable sum was expended for new machinery, was to be considered in lieu of any depreciation ; Fuel and Oil \$45 ; Cans, etc., \$225, Tubs and Cases, \$125 ; 5% Reserve for Doubtful Collections on Debtors' Accounts ; Manufacturing Expenses \$25 ; Advertising paid in advance \$50 ; Insurance in advance \$25 ; Butter on hand \$1,285.

The following information is from the books of the H. R. Foster Tea Co., Limited :

Paid-in-Capital \$20,000, Stock on hand, Jan. 1/15, \$12,300, Purchases \$40,700, Purchase returns \$850, Purchase Discounts \$715, Sales \$39,435, Sales Discounts \$425, Sales returns \$275, Freight In \$394, Freight Out \$106, Rent \$1,125, Salaries \$2,875, Raxes \$325, Insurance \$270, Expense \$1,405, Advertising \$560, Int. and Discount (Dr.) \$340, Bad Debts \$370, Duty \$1,430, 5% Interim Dividend \$1,000, Bills Receivable, \$2,974, Bills Payable \$5,780, Commission (Cr.) \$220, Charities \$310, Reserve A/c. \$2,500, Surplus Profit--1914 \$500, Dividend No. 5 \$84, Light and Heat \$416, Cash \$72, Bank \$5,400 (Cr.), A/c's Receivable \$12,540, A/c's Payable \$7,316, Furniture and Fixtures \$588, Wages \$2,000.

Stock on hand Dec. 31/15 \$28,225, Rent unpaid \$375, Salaries due \$225, Taxes prepaid \$150, Insurance prepaid \$75, Expense items on hand \$120.

Advertising due \$140, Interest on overdraft \$81, Light Bills unpaid \$36, Wages unpaid \$160, Furniture valued at \$550, Allow 5% on A/c's Receivable for possible loss.

Using the foregoing information prepare a Trading A/c, Loss and Gain Statement, and Balance Sheet. Draw L. and G. Statement so as to show exactly profit or loss on the year's business also amount available for dividends if any.

Referring to your statements, give the proper Journal entries to close the Ledger from which the above was taken.

From the following data prepare the Annual Statements of the Munitions Manufacturing Co. Ltd., as on April 30th, 1916, showing the gross profit of each department separately, and also of the business as a whole, and the combined Balance Sheet :

Sales, Dept. A.....	\$222 875
Sales, Dept. B.....	228 650
Purchases, Dept. A.....	\$150,000
Purchases, Dept. B.....	150,000
Accounts Receivable.....	22,400
Cash on hand and in Bank.....	500
Stock on hand May 1, 1915 :	
Dept. A.....	51,000
Dept. B.....	55,500
Real Estate and Building.....	42,675
Freight on Sales, Dept. A.....	550
" " Dept. B.....	2,775
Plant and Machinery.....	93,000
Wages, Dept. A.....	14,875
" " Dept. B.....	36,026
Office Furniture and Fixtures.....	800
Capital Stock.....	150,000
Reserve Account.....	45,000
Surplus, April 30/15.....	3,300
Bills Payable.....	4,075
Accounts Payable.....	5,775
Interim Dividend paid Nov. 1/15.....	3,000
Manufacturing Expenses :	
Dept. A.....	3,050
Dept. B.....	3,550
Selling Expenses.....	15,200
Administrative Expenses.....	14,775
	\$659,675
	\$659,675

Stock on hand April 30/16 : Dept. A., \$25,175 ; Dept. B., \$46,700 ; write \$675 off Real Estate and Building ; set \$400 aside to provide for shrinkage on Accounts Receivable ; allow 10% for depreciation off Plant and Machinery ; provide for unpaid Wages ; Dept. A., \$275 ; Dept. B., \$525 ; Office Furniture and Fixtures are valued at \$750 ; Office Expenses unpaid, \$275.

The Directors decide to declare a dividend, No. 3, of 8% for the year, to transfer to Reserve Account, \$5,000, and to carry the balance of profits to Surplus Account.

INSTRUCTIONS FOR AUGUST.

In many offices where accounts--both Receivable and Payable--are very numerous, it is found advantageous to keep several Ledgers, e.g., Purchase Ledger, Sales Ledger,—these are sometimes known as Accounts Payable Ledger and Accounts Receivable Ledger—and the General Ledger. It is quite common, where customers are very numerous, to have the Sales Ledger subdivided, that is to say, have two or more Sales Ledgers. These are sometimes divided alphabetically, as A—K L—Z, etc. Sometimes the Ledgers are divided territorially, that is to say, Sales Ledger for the City, for the peninsula, for the Island of Cape Breton, for Prince Edward Island, etc.

During the set for the month of August the student is engaged as a book-keeper for a going concern and he is to adopt a system, with suitably ruled books, so as to minimize the clerical work, and yet give the fullest information. The books to be used in this set are as follows:

The Purchase Book, which will be similar to that used in the previous set. The Sales Book, will be the same as that with which he is familiar.

The Sales Book, will be the same as that with which he is familiar.

The Journal, in which will be made entries which effect the General Ledger only. It will, however, be frequently necessary at the same time to post the entry to the Purchase or Sales Ledger.

The **Bill Books** will have two columns, the Bills Receivable Book having columns for Accounts Receivable and General, and the Bills Payable Book for Accounts Payable and General. When posting from these books, which are books of original entry, care must be exercised to see that the account is posted to the proper Ledger. If the student has the correct entry at the time of recording the transaction, he will have no difficulty in deciding to which of the Ledgers a given account is to be posted.

The Cash Book to be used is illustrated on pages 104-105. Note carefully that on the Received side there will be certain items to be posted to the Sales Ledger, others to the General Ledger. The opening entry, the Proprietor's investment, will be posted to the General Ledger only. The second entry will be posted to the Accounts Receivable Ledger, crediting the remitter with \$250. The third entry will not be posted, for it is in a special column and the total will be posted to the General Ledger at the balancing period. The same way with any other entries appearing in special columns under the heading of General Ledger. On the Disbursed side the first item will be posted to the

CASH RECEIVED

General Ledger, the second item to the Purchase Ledger, debiting your creditor with \$175. The third and fourth items will not be posted, being in special columns. These amounts will be included in the total at the balancing date. Note very carefully how this book is balanced; all columns except the General columns are totalled, these totals are transferred to the General column, preceded by their proper ledger titles. Note that Purchase and Sales discounts must be transferred to the contra side of the Cash Book for the amounts standing in these columns were neither actually received nor disbursed. When crediting Accounts Receivable in the General column be sure that the amount is the total of the two columns of the Accounts Receivable, and likewise on the disbursed side, that the Accounts Payable is debited with the total of the Accounts Payable columns.

When you have completed the posting to the three Ledgers, take a summary of each. See if the total of the accounts unpaid as per your Purchase Ledger, is the same as the balance of the Accounts Payable account in the General Ledger. If not, there has been some error in posting to one or the other of the Ledgers. This is one of the advantages of having several Ledgers. When there is difficulty in securing the Trial Balance, it assists the bookkeeper to localize his error. Having proven your Purchase Ledger with your Accounts Payable account in the General Ledger, proceed to prove the accuracy of your Sales Ledger with the Accounts Receivable account in the General Ledger. In your accustomed way prove your Bill Books. When these are all in harmony with the General Ledger, take a Trial Balance of your General Ledger.

In your opening entry remember that only the Proprietor's, Loss & Gain Accounts, Bills Receivable, Bills Payable, Accounts Receivable and Accounts Payable will be found : the General Ledger. The Accounts Receivable will be the sum of the open accounts due to the proprietor at that date and conversely the Accounts Payable will be the sum of the open accounts due by the proprietor. Turn to your Sales Ledger and debit each person in debt to the business and in the Purchase Ledger credit each person to whom the proprietor is in debt. Be very sure of the accuracy of these opening entries.

The Bank Account will be kept on the stub of the Cheque Book only, as in the July set.

Especially ruled books for this set may be obtained for a reasonable sum from the author.

CASH DISBURSED

MARITIME DOUBLE ENTRY.

AUGUST PRICE LIST.

Buying	Selling									
	1	2	3	4	5	6	7	8	9	10
10.00 Caps	per doz	16.80	12.00	8.40	15.80	10.80	7.20	14.40	9.60	6.00
1.10 Collars	"	1.32	1.92	1.44	.84	1.56	.96	1.68	1.08	1.80
2.25 Fancy Vests	each	1.25	3.75	1.75	4.25	2.25	4.75	2.75	5.25	3.25
12.00 Gloves	per doz	10.20	14.40	11.40	13.80	9.00	13.20	10.80	12.00	5.75
5.50 Hand Bags	each	8.00	6.75	7.75	6.50	7.50	6.25	7.25	6.00	7.00
1.25 Handkerchiefs	per doz	1.44	2.16	2.88	1.20	1.92	2.64	.96	1.68	2.40
18.75 Hats	"	15.00	19.80	23.40	16.20	21.00	24.60	17.40	22.20	25.80
4.00 Mittens	"	8.40	4.20	7.20	4.80	9.00	5.40	7.80	6.00	9.60
2.00 Neckties	"	2.40	1.80	2.28	2.88	2.16	2.76	2.04	2.64	1.92
25.00 Pyjamas	"	27.60	29.40	37.20	30.00	22.80	39.60	32.40	25.20	18.00
7.50 Rain Coats	each	11.50	9.00	11.00	8.50	10.50	8.00	10.00	7.50	9.50
15.00 Shirts	per doz	20.40	9.60	12.00	14.40	18.80	19.20	10.80	13.20	15.60
3.00 Socks	"	4.32	3.60	2.88	4.56	3.84	3.12	4.80	4.03	3.36
2.50 Suit Cases	each	1.75	3.00	2.00	3.25	2.25	3.50	2.50	3.75	2.75
10.50 Umbrellas	per doz	19.20	26.40	9.60	16.80	24.00	7.20	14.40	21.60	28.80
12.50 Underwear	"	8.64	19.44	17.04	14.64	12.24	9.84	18.24	15.84	13.44
										11.04

AUGUST TRANSACTIONS

On September 1st, last year, a copartnership agreement was signed by J. G. Rafuse and W. A. Stech, under the name and style of W. A. Stech & Co., which inter alia, recited the following:

- (a) That J. G. Rafuse was to be a silent partner, investing one-half the amount of Stech's investment as shown by his Balance Sheet of that date. He was to receive 6% interest on the capital invested and any sums which he might advance by way of loan from time to time to the business, were to bear interest at 7%.
- (b) Stech's capital was to remain intact and draw interest at 6%.
- (c) Drawings accounts were to be kept for each of the partners.
- (d) Stech was to draw a salary of \$100 per month.
- (e) Losses and Gains were to be shared equally.

On August 1st, this year, the student is engaged as bookkeeper for the firm, power of attorney being duly granted to him, with instructions to better systematize the method of keeping the accounts. On careful examination he extracts the following information: Furniture & Fixtures \$350, Purchases \$72500, Sales \$74700, Purchase Discounts \$1285, Sales Discounts \$875, Interest & Discount Dr. \$125, Bills Receivable \$1314, Bills Payable \$1010, Freight in \$630, Freight out \$45, Salaries \$1100, Coll. & Exchange \$105, Insurance & Taxes \$415, Expense \$680, Advertising \$275, Charities \$50, Rent \$660, Heat & Light \$120, Wages \$2410, Bad Debts \$75, Cash on Hand \$96, in Bank \$2100, J. G. Rafuse L. A. \$2190, W. A. Stech W/A \$70, J. G. Rafuse W/A \$600, Personal accounts due the firm, J. H. Loggie, Mulgrave, \$140; R. M. Calder, New Glasgow, \$62.50; J. S. MacLean, Amherst, \$137.50; Bray & Peach, Port Morien, \$275; J. I. Francis, Sydney Mines, \$162.50; L. G. McCurdy & Co., Truro, \$47.50; Yates & Bates, Halifax, \$137.50; G. A. Leverman, Halifax, \$122.50, C. W. McGill, Springfield, \$92.50; C. T. Oulton, Springhill, \$225, Rod, J. MacDougald, Westville, \$87.50; Hance J. Heather, Pugwash, \$97.50; J. M. Rutherford, Stewiacke, \$87.50; W. M. Reinhardt, Parks Creek, \$118.50, K. D. O'Dell, Annapolis, \$146.50; Geo. M. Sinclair, Hopewell, \$219; M. B. Zwicker, Halifax, \$132.50; W. B. Bower, Shelburne, \$75; Ernst & Schnare, Lunenburg, \$153.50. Personal accounts due by the firm: J. Ross MacLean & Bro., Hopewell, \$217.50; Hickman Bros., Oxford, \$112.50; The Chebucto Shirt Co., Dartmouth, \$87.50; The H. M. Eaton Co., Truro, \$134; Fraser Bros., Halifax, \$215; Canadian Hatters, Bedford, \$180; Dominion Styles Co., Toronto, \$175; Men's Wear Co., Hamilton, \$137.50.

MARITIME DOUBLE ENTRY.

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- Aug. 1. The following remittances were received:
 J. I. Francis, Express Order, \$75, less 2%;
 C. T. Oulton, per Bank Draft \$150, less 2%;
 Ernst & Schnare, per their cheque payable at par here, \$53.50,
 less 2%;
 M. B. Zwicker, per cheque, \$45, net.
 Paid in Cash Light bill for July \$4.80.
 Paid F. A. Nightingale by cheque, for books and office stationery,
 \$22.50, less 3%.
 Bought of Mitchell Mfg. Co., Amherst:
 40 only Suit Cases 6 doz. Umbrellas.
 25 only Hand Bags.
 Bought of the Avon Knitting Co., Windsor:
 9 doz. Underwear 8½ doz. Mittens.
 Bought of Canadian Hatters:
 8½ doz. Hats 6½ doz. Caps.
 Sold S. D. Ruggles, Lockeport:
 5½ doz. Socks 3½ doz. Gloves.
 6 2½ " Mittens.
 Sold H. V. McKenna, Wolfville:
 2¾ doz. Pyjamas 4½ doz. Collars.
 9 only Rain Coats 4 onl. Fancy Vests.
 2½ doz. Neckties 1½ doz. Umbrellas.
 Sold L. G. McCurdy & Co.:
 12½ doz. Gloves 3¾ doz. Handkerchiefs.
 2 7/12 doz. Umbrellas 4½ " Socks.
 8½ doz. Mittens.
 Sold G. A. Leverman:
 8 doz. Gloves 10 only Rain Coats.
 4 9½ doz. Handkerchiefs.
 6 only Hand Bags.
 Cash Sales per Register \$117.50.
- Aug. 2. Accepted the 3 days' sight draft of the Dominion Styles Co., in
 favor of the Farmers' Bank for \$80, less 5%.
 Received from Bray & Peach a \$90 draft on Fraser Bros., at 10
 days from 1st, which the latter accept.
 Sold J. I. Francis:
 4½ doz. Hats 8½ doz. Neckties.
 7 only Rain Coats 3¾ " Socks
 6½ doz. Caps 8½ " Collars.
 Sold R. C. Harris, Antigonish:
 5 7/12 doz. Caps 3½ doz. Hats
 1 only Hand Bag 6 only Suit Cases.
 Sold Lynch & McElmon, Dartmouth:
 4½ doz. Hats 5¾ doz. Umbrellas
 3 5/12 doz. Gloves 4½ " Shirts.
 Sold R. J. MacDougald:
 8½ doz. Socks 4 doz. Handkerchiefs
 2½ " Hats 2 only Rain Coats
 4½ " Gloves.
 Received the following on account:
 W. M. Reinhardt, by cheque on Bridgewater, \$62.50, less 2%.
 C. W. McGill, per Express Order, \$35, less 2%.
 J. S. MacLean, per Bank Draft \$72.50, less 2%.
 Deposited \$200 in currency and all remittances, exchange 15 cents.
 Cash sales \$96.00.

MARITIME DOUBLE ENTRY.

- Aug. 3. Bought of Dominion Styles Co.:
 15 doz. Neckties 36 only Fancy Vests
 2½ doz. Pyjamas 30½ doz. Socks.
 Bought of Mens' Wear Co.:
 25 only Rain Coats 15 only Fancy Vests
 30 doz. Neckties 5 doz. Pyjamas.
 Bought of Chebucto Shirt Co.:
 8½ doz. Shirts 12½ doz. Collars
 25 " Neckties.
 Received from K. D. O'Dell his note for \$75, dated yesterday payable in 10 days at our office.
 Accepted the sight draft of J. Ross MacLean & Bro., in favor of the Students' Bank, for \$140, less 5%.
 Remitted our cheque to The H. M. Eaton Co., Truro, \$87.50, less 3%—adding 15 cents for exchange.
 Received from Yates & Bates cash for an \$82.75 invoice less 2%.
 J. H. Loggie remitted by cheque, \$60, less 2%. He added 15 cents for exchange.
 Received from Hance J. Heather, Express Order for \$42.50, less 2%.
 Paid Maritime Transfer Co. by cash for truckage and freight—Inward \$27.50, Outward \$4.10.
 Sold C. T. Oulton:
 4½ doz. Pyjamas 8½ doz. Collars
 3 " Neckties 2½ " Hats
 2 5/6 " Shirts 2 " Umbrellas
 ½ " Caps 6 only Suit Cases
 9½ " Underwear.
 Sold E. R. Gardner, Brooklyn, Queen's Co.:
 2½ doz. Hats 5 only Hand Bags
 2 only Suit Cases 5/6 doz. Caps.
 Sold R. M. Calder:
 1½ doz. Hats 2½ doz. Gloves
 3 only Rain Coats 2½ " Pyjamas
 5 only Suit Cases.
 Cash Sales \$102.60.
 Aug. 4. Received from Lynch & McElmon, in settlement of their note for \$240 due tomorrow, a new note at 12 days from the 6th, for \$146, and their cheque for the balance and discount on the renewal.
 To protect our \$185 note in favor of the Mitchell Mfg. Co., Amherst, maturing on the 6th, we remit our cheque with 25 cents added for exchange.
 Gave Canadian Hatters our cheque for \$84.60, less 5%.
 Paid by cheque, sight draft of Hickman Bros. in favor of the Students' Bank for the amount due the 1st inst., less 2%.
 Sold W. R. Murray, Hantsport:
 2½ doz. Collars 1½ doz. Hats
 3 only Rain Coats 3 11/12 doz. Neckties
 2¾ doz. Caps.
 Sold J. H. Loggie:
 5½ doz. Shirts 4 doz. Underwear
 5 " Socks 6½ doz. Handkerchiefs
 2½ " Neckties.

- Deposited \$250 in Cash and all remittances, exchange 15 cents.
 Bought of J. Ross MacLean & Bro.:
 15 only Hand Bags 12 only Suit Cases
 4½ doz. Umbrellas.
 Bought of Mayflower Woolen Mills, Glendyer, N.S.:
 12½ doz. Socks 8½ doz. Gloves
 12½ " Mittens.
 Cash Sales \$210.25
 Paid Wages in Cash \$52.50.
 Bookkeeper took at cost, on a/c of Salary, 1 Rain Coat, 1 Umbrella, 1 doz. Collars, 2 only Shirts, 2 only Neckties, and took the balance \$2.69 in Cash.
 Charge W. A. Stech, 2 suits Underwear, 1 pr. Gloves, 4 prs. Socks, and a cheque for \$25.
- Aug. 6. Paid by cheque draft due today
 Accepted at 10 days from the 30th ult. the draft of Men's Wear Co., in favor of the Traders' Bank, for the amount due them the 1st inst., less 5%.
 Paid The Chebucto Shirt Co., by cheque amount due on the 1st, less 5%.
 Received from J. M. Rutherford his note at 10 days from date for \$50, payable at our office.
 Received from L. G. McCurdy & Co., Express Order for \$47.50, less 2%.
 Received cheque from G. A. Leverman for \$84, less 2%.
 Drew on demand on Geo. M. Sinclair for \$100 in favor of J. Ross MacLean & Bro., and remitted draft to them to apply on account.
 Placed with E. D. Doyle & Co's agencies, \$1,500 additional insurance on stock @ 1½%. Paid the premium by cheque.
 Sold Lynch & McElmon:
 4 doz. Mittens 4 5/6 doz. Gloves
 3½ doz. Pyjamas 2 5/6 " Hats
 5¾ " Shirts 7½ " Underwear.
 Sold G. A. Leverman:
 5¼ doz. Hats 3 2/3 doz. Mittens
 12½ " Neckties 4½ " Shirts
 3½ " Umbrellas 6 only Suit Cases.
 Bought of Hickman Bros.:
 5¾ doz. Pyjamas 18 doz. Collars
 5¾ " Shirts 12 " Handkerchiefs.
 Bought of Canadian Hatters:
 16 doz. Hats 25 doz. Caps.
 Cash Sales \$107.50.
- Aug. 7. Received from R. C. Harris Bank Draft for \$96.50 in payment of note due today.
 Paid by cheque Fraser Bros. \$85, less 5%.
 Deposited all Cash but \$10.
 Bought of the Parker Leather Goods Co.:
 15 only Suit Cases 25 only Hand Bags.
 Bought of the Mitchell Mfg. Co.:
 6½ doz. Umbrellas 12 only Suit Cases.
 Sold R. J. MacDougald:
 9 only Fancy Vests 7 " Japs
 2 doz. Handkerchiefs 1 " Mittens.
 Cash Sales \$112.80.

MARITIME DOUBLE ENTRY.

- Aug. 8.** — Paid by cheque draft due today.
 Paid by cheque sight draft of the Avon Knitting Mills in favor of the Farmers' Bank for our purchase of the 1st, less 5%.
 Received demand draft of R. J. MacDougald, in our favor on The Chebucto Shirt Co., for the amount due the 1st, less 2%.
 We passed the same to the payees to apply on account. We are entitled to 5% discount for this payment.
 Paid by cheque advertising bill in the Merchants' Review, \$15.
 Cash Sales \$127.90.
- Aug. 9.** Remit the Parker Leather Goods Co., our note for \$219 at 10 days in settlement of our note for \$315 due tomorrow and our cheque for the balance, includ'g discount on renewal, 25 cents added for exchange.
 Yates & Bates in settlement of their \$584 note due today give their interest-bearing note at 10 days for \$365, and a cheque for balance.
 Sold John P. Haliburton, Bonne Bay, Nfld., less 20% and 2½% for cash.

2½ dos. Caps	④	\$15.20
2½ " Gloves		12.50
6½ " Mittens		9.30
4½ " Underwear		18.60

 Accept the sight draft of Mitchell Mfg. Co., for the purchase of the 1st, less 5%, in favor of the Mechanics' Bank.
 Deposited \$400 and cheque on hand.
 Sold R. C. Harris:

2 1/12 doz. Hats	5 only Hand Bags.
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 Sold L. G. McCurdy & Co.:

7 doz. Pyjamas	5 1/4 doz. Socks
6 " Handkerchiefs	4 5/12 doz. Umbrellas
4 1/2 doz. Mittens.	

 Bought of the Avon Knitting Co.:

4 1/4 doz. Caps	16 3/4 doz. Socks.
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 Cash Sales \$152.40.
- Aug. 10.** Sold S. D. Ruggles:
 Sold G. A. Leverman:
 Bought of Chebucto Shirt Co.:
 Accepted the 5 days' sight draft of Dominion Styles Co., in favor of the Students' Bank for the invoice of the 3rd, less 5%.
 Received from Bray & Peach their cheque payable at par here for an \$115 invoice, less 2%.
 W. B. Bower remitted his cheque for \$45, less 2%, with 15 cents added for exchange.
 C. T. Oulton remitted a demand draft dated yesterday on W. C. Dunlop, Halifax, for the balance of his account of the 1st, less 2%. Drawee paid same by cheque.
 Cash Sales \$167.50.

- Aug. 11.—Issued our cheque in payment of our July acceptance of the May-flower Woolen Mills in favor of the Citizens' Bank for \$265.
 Paid by cheque demand draft of Dominion Styles Co., dated the 9th, in favor of the Peoples' Bank for the balance due them on the 1st, less 5%.
 Received from W. E. Bender, Jr., Quebec, less trade discount of 12½% and a cash discount of 2½%:
 5 gro. Maritime Collars 75 doz. Club Ties
 25 doz. Everwear Shirts 12½ doz. Dreamland Pyjamas
 48 " Never Shrink Underwear.
 B/L was attached to demand draft in favor of the Federal Bank. We issued our cheque in payment of same.
 Paid Canadian Hatters by cheque balance of July account, less 2%
 Deposited \$325 and all remittances, exchange 15 cents.
 Sold H. V. McKenna:
 1½ doz. Umbrellas 3 5/12 doz. Collars
 3 only Rain Coats 8 only Fancy Vests
 5½ doz. Neckties.
 Sold J. I. Francis:
 3½ doz. Caps 6½ doz. Neckties
 12 only Fancy Vests 12 doz. Handkerchiefs.
 6½ doz. Collars 5½ doz. Hats
 5 only Rain Coats 8½ " Socks
 Paid H. M. Sabean by cheque for Unique Typewriter \$130, less 5%.
 Cash Sales \$237.50.
 Paid in Cash: Wages \$52.50, Bookkeeper's salary \$15.
 Issued cheque to J. G. Rafuse, \$37.50; and delivered to him, ½ doz.
 Socks, 1/12 doz. Caps, 1 doz. Collars, 1 only Fancy Vest, 1 pr.
 Pyjamas.
- Aug. 13 M. B. Zwicker paid his 60-day \$219 7% interest-bearing note maturing today as follows: new note at 10 days for \$146 with interest at 7% and Cash for the balance.
 Received from W. M. Reinhardt a bank draft dated the 11th in payment of his \$125 note due today.
 Issue cheques for drafts due today.
 Received from J. H. Loggie, bank draft dated two days ago for the balance of his account of the 1st, less 2%.
 Received from J. S. MacLean his cheque in full of account with 15 cents added for exchange.
 Remitted the Mitchell Mfg Co., to apply on account, the cheque received from J. S. MacLean.
 Received from C. W. McGill to apply on account, his cheque for \$50, payable at par.
- Aug. 13 Paid by cheque J. Ross MacLean & Bro.'s demand draft dated the 11th in favor of the Traders' Bank for \$60, less 1%.
 Deposited remittances and all cash but \$15.
 Bought of Men's Wear Co.:
 5½ doz. Shirts 3 doz. Umbrellas
 12½ " Gloves 12 only Fancy Vests.
 Sold Lynch & McElmon:
 7½ doz. Mittens 7 doz. Caps
 3½ " Gloves 2½ doz. Pyjamas
 3 " Underwear.

MARITIME DOUBLE ENTRY.

Sold E. R. Gardner:

1½ doz. Caps	3 only Suit Cases
6¾ " Neckties	2¼ doz. Collars.

Sold R. M. Calder:

⅔ doz. Caps	1½ doz. Mittens
2 only Fancy Vests	2 only Hand Bags.

Cash Sales \$147.50.

Aug. 14. Indorsed to acceptors to apply on account draft due today.
Gave Chebucto Shirt Co. our cheque for invoice of the 3rd, less 5%.
Remitted Mayflower Woolen Mills our cheque for \$100 to apply
on account.

Received from Lynch & McElmon a note at 10 days from the 10th
for \$365.

Paid the Canadian Hatters by our cheque for the purchase of the
1st, less 2½%.

Received from H. V. McKenna bank draft in full of account, less
5%.

Received from S. D. Ruggles in full of his account less 5%, the
cheque of Chas. V. McAvoy, Halifax, which he indorses to us.

Sold G. A. Leverman:

9½ doz. Caps	4½ doz. Mittens
7 only Fancy Vests	8½ " Underwear
3½ doz. Pyjamas.	

Sold Rod. J. MacDougal:

6 doz. Handkerchiefs	3½ doz. Socks
3½ doz. Hats	7 only Rain Coats
2½ " Gloves.	

Sold W. R. Murray:

4 only Fancy Vests	1¼ doz. Hats
1 " Rain Coat	2 1/12 doz. Neckties
3½ doz. Collars.	

Bought of J. Ross MacLean & Bro.:

8½ doz. Umbrellas	12 only Hand Bags
15 only Suit Cases.	

Cash Sales \$156.75.

Aug. 15. Issue cheque in favor of Farmers' Bank for our July acceptance in
favor of the Avon Knitting Co. due today, \$97.50.
Received from the maker of the note due today, bank draft.

Sold J. H. Loggie:

2½ doz. Shirts	4 doz. Underwear
3½ " Socks	2½ doz. Handkerchiefs
2½ " Collars.	

Sold C. T. Oulton:

2 doz. Caps	5½ doz. Neckties
2½ " Umbrellas	6 only Hand Bags
6½ " Shirts.	

Bought of Mayflower Woolen Mills:

16 $\frac{1}{4}$ doz. Mittens	18 $\frac{1}{4}$ doz. Gloves
15 $\frac{1}{3}$ " Socks.	

Sold R. M. Calder.

5/6 doz. Caps	5/6 doz. Mittens
2 $\frac{1}{3}$ doz. Umbrellas	1 only Fancy Vest
3 only Hand Bags	

Bought on our cheque from C. F. Moriarty, a typewriter desk, \$42.50, less 20% and 2 $\frac{1}{2}\%$.

Paid Maritime Transfer Co. by cheque for freight and truckage, inward \$42.30, outward \$8.15.

Paid City Water Rates in Cash \$4.50

Gave by cheque to Red Cross Fund, \$25

Paid in Cash for Postage and Telegrams \$7

Deposited all remittances and \$300.

Paid J. C. Elliott by cheque for 1 bbl. Dustbane and truckage on same \$6.74.

Paid by cheque to H. L. Lohnes \$11.60, for coal delivered to Stech's residence.

Cash Sales \$167.25

Re-read the instructions for this month.

Balance the Cash Book and prepare the other books for posting. Post and prove the accuracy of your Purchase and Sales Ledgers. Submit your Trial Balance of the General Ledger to the Teacher for approval.

Aug. 16. Received the following remittances:

J. I. Francis, Bank Draft for invoices of the 2nd and 11th, less 3%. R. C. Harris, his cheque with 25 cents added for exchange to cover his account to date, less 3%.

E. R. Gardner, cheque on Liverpool payable here at par, to balance his account, less 3%.

Per instructions we drew on demand, less 3%, in favor of our Bank on L. G. McCurdy & Co., in full of % (memo only).

Deposited \$160 and remittances, exchange 30 cents.

Sold Hance J. Heather:

4 $\frac{1}{2}$ doz. Handkerchiefs	2 5/12 doz. Shirts
5 $\frac{1}{4}$ " Socks	1 $\frac{1}{4}$ doz. Gloves
1 $\frac{1}{3}$ " Underwear.	

Sold Yates & Bates:

8 $\frac{1}{2}$ doz. Shirts	3 $\frac{1}{2}$ doz. Neckties
4 $\frac{1}{2}$ " Umbrellas	2 $\frac{1}{4}$ " Handkerchiefs.

Sold Geo. F. Kerr, Eureka:

3 $\frac{1}{3}$ doz. Gloves	2 $\frac{1}{2}$ doz. Mittens
3 only Fancy Vests	$\frac{1}{3}$ " Umbrellas.

Bought of Hickman Bros.:

8 $\frac{1}{3}$ doz. Shirts	10 $\frac{1}{4}$ doz. Collars
6 $\frac{1}{4}$ " Pyjamas	12 $\frac{1}{4}$ " Neckties.

MARITIME DOUBLE ENTRY.

Bought of Canadian Hatters:

9 doz. Hats 6½ doz. Caps.

Issued cheque to retire a note for \$147.50 issued in July in favor of
Fraser Bros.

Cash Sales \$152.10.

Aug. 17. Accepted the draft of Men's Wear Co. at 10 days from the 12th
in favor of the Traders' Bank for invoice of the 3rd inst., less
5%.

Paid by cheque sight draft of Hickman Bros. for invoice of the
6th, less 5%, in favor of the Federal Bank.

Bought of the Parker Leather Goods Co.:

18 only Hand Bags 30 only Suit Cases.

Bought of Mitchell Mfg. Co.:

25 only Hand Bags 5½ doz. Umbrellas.

Paid by cheque in favor of Mutual Life, W. A. Stech's premium
\$278.50.

Sold Bray & Peach:

5 only Suit Cases 6 only Rain Coats

4 only Hand Bag^s 7½ doz. Socks.

Sold Jeffers Bros., Oxford:

4½ doz. Hats 5½ doz. Neckties

4 only Rain Coats 5 only Hand Bags.

Sold J. S. MacLean, Amherst:

1¾ doz. Pyjamas 5¼ doz. Shirts

5¾ " Collars.

Cash Sales \$143.60.

Aug. 18. Charge W. R. Murray's note due today to maker's account \$49.50.
Issue cheque to protect draft due.

Sold C. W. McGill:

12½ doz. Shirts 5 1/12 doz. Underwear

6¼ " Neckties 10 doz. Collars.

Sold W. B. Bower:

3¾ doz. Socks 8½ doz. Underwear

5¼ " Mittens.

Sold Ernst & Schnare:

4 5/6 doz. Underwear 8½ doz. Socks

8¾ doz. Gloves 7½ " Mittens

9 " Hats 4½ " Caps.

Received from C. T. Oulton, Bank Draft to cover invoices of the
the 3rd and 15th, less 3%.

Received from R. J. MacDougald his note at 30 days from the 7th
inst., for \$250.

Goods ordered from Philip Moreau & Cie, Ottawa, arrived consigned to their own order:

33½ doz.	Lumbermen's Special Gloves
50 "	Everyday Mittens
30 "	Comfort Caps
75 "	Holeproof Socks.

Less 10% and 5%.

Issued cheque to Federal Bank for above.

Received from Lynch & McElmon cheque for \$150 to apply on account.

Drew on R. M. Calder, at 10 days from the 13th in favor of J. Ross MacLean & Bro., for \$62.50 and remitted it to them to apply on account.

Received from G. A. Leverman his cheque for \$38.50 and note at 15 days from the 6th for \$500.

Deposited \$100 and remittances.

Bought of Avon Knitting Co.:

8½ doz. Socks	6 doz. Underwear.
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Bought of Dominion Styles Co.:

12 only Fancy Vests	25 doz. Collars
15 doz. Neckties	3 doz. Caps
5 " Hats	15 only Rain Coats.

Cash Sales \$224.50.

Paid in Cash: Wages \$61.50, bookkeeper and stenographer \$22.

W. A. Stech took in Cash \$25.

Aug. 20. Bank reports McCurdy draft collected, exchange 50 cents.

Received from maker of note due today his cheque with 15 cents added for exchange.

Accepted the 3 days' sight draft of The H. M. Eaton Co., in favor of Farmers' Bank for balance of account.

Paid in cash \$2.50 for advertisement re clerk.

Paid Maritime Transfer Co. by cheque for freight and truckage— Inward \$33.75, Outward \$5.60.

Sold second-hand Typewriter to E. H. Harlow, Milton, for \$37.50 cash. Prepaid in cash expressage on same, 75 cents.

Paid L. Hatcher for wrapping paper and twine, \$13.88, cash.

Bought of J. Ross & MacLean & Bro.:

30 only Suit Cases	18 only Hand Bags
6½ doz. Umbrellas.	

Bought of Men's Wear Co.:

6¼ doz. Neckties	15 only Rain Coats
3 " Caps	3½ doz. Hats.

Sold J. Austin Parker, Owl's Head:

6½ doz. Shirts	@ \$15.00
4½ " Handkerchiefs	2.00
8½ " Mittens	7.20
1½ " Gloves	12.00
12 " Socks	3.60

Less 10% and 5% for cash.

Deposited \$327.12 and cheque on hand, exchange 15 cents.

Cash Sales \$120.30.

MARITIME DOUBLE ENTRY.

Aug. 21. Received from makers of note due today their cheque.

Sold Geo. F. Kerr:

5 only Rain Coats	2½ doz. Mittens
7/12 doz. Pyjamas.	

Sold Yates & Bates:

4½ doz. Underwear	12 doz. Socks,
11¾ " Collars	2½ doz. Umbrellas.

Bought of Mayflower Woolen Mills:

33½ doz. Socks	18½ doz. Mittens
16¾ " Gloves.	

Drew on W. R. Murray for invoices of 4th and 14th, less 5%, in favor of the Avon Knitting Co., and remitted the draft to them to apply on account. We are entitled to 3% discount from that firm

Paid by cheque demand draft of Dominion Styles Co. for the invoice of the 18th, less 5%.

Paid by cheque sight draft of Men's Wear Co. in favor of the Traders Bank, in settlement of their invoice of the 13th, less 5%.

Cash Sales \$138.80.

Aug. 22. Note due today is paid in cash.

Remitted J. Ross MacLean & Bro. a Bank Draft for invoice of the 4th, less 3%, exchange ½%.

Sold Hance J. Heather:

4½ doz. Underwear	3½ doz. Handkerchiefs
2¾ " Gloves	3 7/12 doz. Shirts
2¾ " Socks	4 doz. Mittens.

Sold J. S. MacLean:

2½ doz. Underwear	2 7/12 doz. Umbrellas
3¾ " Shirts	1½ doz. Neckties.

Remitted Bank Draft to retire our note due tomorrow, exchange 25 cents.

Bought on our cheque of the M. M. Eaton Co., less 25% trade discount and cash discount of 2½%:

50 only M.B.C. Sweater Coats	@	\$4.50
90 " " Sweaters		3.25
10 doz. " Hose		9.50

Deposited \$600 and cheque on hand.

Received from G. A. Leverman to apply on account a sight draft for \$300 on Canadian Hatters, which we passed to them to apply on account.

Paid by cheque for special advertisement in College Gazette re knit goods \$23.53.

Cash Sales \$142.10.

Aug. 23. Received cash for note due today.

Bought from Canadian Hatters:

12½ doz. Caps	18 doz. Hats.
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Bought of Chebucto Shirt Co.:

15 doz. Neckties	8½ doz. Shirts
25 " Collars	25 " Handkerchiefs.

Sold Jeffers Bros.:

4½ doz. Neckties	3½ doz. Caps
2¼ " Hats	3 only Rain Coats
3 only Suit Cases.	

Sold Bray & Peach:

4 only Fancy Vests	3 only Rain Coats
2 " Suit Cases	6½ doz. Handkerchiefs.

Deposited all cash but \$15.

Remitted our cheque on account to Mayflower Woolen Mills for \$350.

Paid by cheque sight draft of Avon Knitting Co., to balance account, less 2%.

Accepted draft at 10 days from date of invoice of Men's Wear Co. for the purchase of the 20th, less 5%, in favor of the Traders' Bank.

Cash Sales \$125.90.

Aug. 24. Received cheque for note due today.

Sold C. W. McGill:

10½ doz. Underwear	3½ doz. Shirts
3¾ " Neckties.	

Sold W. B. Bower:

12 doz. Shirts	13 doz. Handkerchiefs
6¾ doz. Mittens	3½ doz. Underwear
9¾ " Socks	12 " Gloves.

Received from Lynch & McElmon their note at 30 days dated the 13th to balance their account.

Received from J. H. Loggie, in settlement of his %, less 2%, a Bank Draft.

Deposited \$125 and remittances.

Drew on R. M. Calder at sight in favor of J. Ross MacLean & Bro., payable at the Mechanics' Bank, New Glasgow, in settlement of his August purchases. The drawee is entitled to discount of 2%. We are entitled to 5% off the MacLean invoices.

Cash Sales \$102.80.

Aug. 25. Issued cheque for draft due today.

Sold Geo. F. Kerr:

2 o Fancy Vests	1¾ doz. Gloves
5 " Umbrellas.	

MARITIME DOUBLE ENTRY.

Sold Ernst & Schnare:

19 doz. Handkerchiefs	14 doz. Shirts
9 " Mittens	4½ " Caps
10½ " Socks	9 1/6 " Underwear
8½ " Gloves	

Gave Canadian Hatters, our cheque for \$346.25.

Hance J. Heather sent Bank draft, less 5%, in settlement of the invoices of 16th and 22nd.

Bought of Chebucto Shirt Co.:

16 doz. Shirts	15 doz. Collars
12 " Neckties.	

Gave Chebucto Shirt Co. our cheque for balance of the invoice of the 10th, less 3%.

Cash Sales \$137.50.

Paid wages \$72, office salaries \$22.

J. G. Rafuse took in cash, \$100.

Aug. 27. Maker of note due today paid it by cheque.

Issued our cheque for draft due today.

Received cheque from C. W. McGill to balance his account of 1st and also purchases of 18th and 24th, less 5%.

Sold Yates & Bates:

9½ doz. Handkerchiefs	8½ doz. Neckties
7 " Pyjamas	3 5/6 doz. Underwear.

Received from Geo. F. Kerr to apply on account, his cheque for \$125 with 15 cents added for exchange.

Deposited \$50 in currency and remittances. Exchange on McGill's cheque 50 cents, on Kerr's 15 cents.

Bought of the Dominion Styles Co.:

25 doz. Neckties	12 doz. Caps
15 only Fancy Vests.	

Drew on J. S. MacLean at sight in favor of the Mitchell Mfg. Co., for balance of invoice of the 7th and remitted a Bank Draft, exchange 15 cents, in their favor in payment of our purchase of the 17th, less 5%. Paid for draft by cheque

Cash Sales \$110.75.

Aug. 28. Sold J. S. MacLean.

1½ doz. Pyjamas	6½ doz. Underwear
3 5/6 doz. Neckties.	

Bought of Men's Wear Co.:

8½ doz. Neckties	6½ doz. Hats
12 only Rain Coats	

Received from Ernst & Schnare their cheque for \$400, payable at par here, to apply on account.

Sold Jeffers Bros.:

3 5/12 doz. Caps	9 5/6 doz. Collars
7 only Fancy Vests	2 only Suit Cases.

Drew on Jeffers Bros. at sight for \$150 in favor of Hickman Bros., and remitted same to them to apply on account.

Remitted by cheque to Mayflower Woolen Mills \$400 on %.

Cash Sales \$112.50.

Aug. 29. Sold Bray & Peach:

8 only Fancy Vests	6½ doz. Handkerchiefs
3 " Rain Coats	6 only Hand Bags
5½ doz. Socks	3 " Suit Cases.

Bray & Peach remit their cheque for \$100, payable at par here to apply on account.

Received from J. S. MacLennan his 15 day note in our favor, dated yesterday, for \$250.

Deposited \$225 and remittances.

Paid by cheque demand draft of Dominion Styles Co., for purchase of 27th, less 5%.

Cash Sales \$87.75.

Yates & Bates, in settlement of their account, deduct 5% from August purchases giving a 30-day interest-bearing note for \$400 and the balance in cash.

Aug. 30. Ernst & Schnare dissolve copartnership selling out their business as

a going concern to A. F. Eisnor & Co., whose trade we anticipate. The old firm remits us \$371.10 by cheque and the new firm's 7% interest-bearing note at 30 days from yesterday in their favor for \$438, which they indorse to us.

Sent Canadian Hatters, cheque for \$500 to apply on account.

Bought of Mitchell Mfg. Co.:

15 only Suit Cases	8½ doz. Umbrellas.
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Accepted, in favor of the Students' Bank, the 10-day draft of Chebucto Shirt Co., dated the 23rd, for invoice of that date, less 5%.

Paid Maritime Transfer Co. by cheque for freight and truckage Inward \$33.75. Outward \$8.25.

Cash Sales \$79.50.

Aug. 31. Issued cheque in favor of Cook & Frost for \$60 rent for month.

Credit the Proprietors with years' interest on Capital Accounts.

Credit the working partner with salary for the year.

Paid by cheque sight draft of Parker Leather Goods Co., dated yesterday, in favor of themselves, to balance, their account, less 5%.

Paid by cash: Office salaries \$22, Clerks' wages \$72.

Paid in cash Telephone Rent \$3.

Paid in cash for Telegrams and Postage \$3.25.

Paid by cheque Mr. Rafuse's loan and accrued interest for 166 days.

Cash Sales \$101.15.

Deposited \$500 and cheque on hand, exchange 50 cents.

Inventories:

Merchandise	\$6590.00
Furniture & Fixtures	375.00
Taxes & Insurance, prepaid	50.00
Expense, books, etc.	87.31
Advertising, current, unpaid	62.50
Heat & Light, due and unpaid	12.50
Doubtful Debt Reserve	325.00

Proceed as on the 15th. Have your books approved by Teacher, then proceed with Trial Balance, Trading Account, Loss & Gain Statement and Balance Sheet.

Have these approved by Teacher.

INSTRUCTIONS FOR SEPTEMBER.

The products of many concerns are marketed by persons who do not care to stock these goods, that is, buy them outright, and thus incur the liability of paying the producer whether the goods are saleable or not, or realize the cost of production. Such persons may be direct Agents, that is, all contracts relative to those goods are in the name of the producer, or they may handle the goods on Commission, that is, receive as remuneration for their trouble a percentage of the sales effected. Persons who conduct business on these terms are known as **Commission Merchants**.

On pages 84-85 will be found definitions of the terms usually applied to a Commission Business and a simple method of handling Consignments, when they are only incidental to the business. The purpose of this chapter is to suggest a suitable method of recording the transactions relating to Consignments and Shipments where this is the main purpose of the business and the selling of one's own goods only an incident thereto.

The rulings of the Books of Account of a Commission Merchant, like those for all businesses, are not arbitrary, but are suitably arranged for the particular lines handled.

The books to be used with the September set, a Commission Business, are:

The Journal, which will be similar to that used in the August set.

The Purchase Book, as used in the preceding set.

The Receiving Book, see page 122, in which is entered a memo of the various lines received for sale on account of, and at the risk of the consignor, and the charges paid or incurred on its behalf. Each package, case, barrel, etc., of all consignments is assigned a given number, to distinguish it from like goods of other consignors.

The **Shipment Book**, in which is recorded a list, at cost price, of the various articles forwarded to be sold on the account and risk of the owner.

The **Sales Book**, see page 122, with special columns into which are extended the sales from the various consignments and those from the proprietor's own goods. Be careful always to state the number of the consignment from which each item is made.

The **Cash Book**, see pages 120-121, with special columns to that where possible only totals will be necessary for the General Ledger and that the entries may be posted to the special Ledgers. Care must be exercised to see that the summaries of these special Ledgers agree with the accounts in the General Ledger.

The Bill Books will have special columns as in the previous set.

The General Ledger, similar to that previously used

The **Shipment Ledger** shows the value of goods sent for sale and any charges paid or incurred in connection therewith, and the Net Proceeds received or placed by the consignee to the credit of the Consignor. If the proceeds are not received with the Account Sales the Agent must be debited in the Accounts Payable Ledger and the shipment closed to Loss & Gain.

The **Accounts Receivable Ledger** will contain all accounts due to the business.

The Accounts Payable Ledger will contain all accounts due by the business.

The **Consignment Ledger**, showing an account for each consignment received, each debited to all charges paid or incurred on its behalf and all our charges in connection therewith and credited by the Sales on whatever terms.

When the Account Sales is rendered the account is closed. If the Net Proceeds are remitted the account is closed when the remittance is posted from the Cash Book. If the Net Proceeds are due at a future date, the amount of the Net Proceeds must be transferred to the credit of the Consignor in the Accounts Payable Ledger.

The Bank Account will be kept on the stub of the Cheque Book.

Especially ruled books for this set may be obtained from the author.

MARITIME DOUBLE ENTRY.

CONSIGNMENT RECEIVING BOOK.

Date		Consignor	Quantity	No.	Folio	Charges
July	5	M. M. Cassidy 15-32 cs. Strawberries 2-32 cs. Raspberries Freight D. A. R.	Kingston	1625		3 10
	16	A. E. Drillio 12 bbls. Potatoes 3 bus. Beets Charges prepaid.	Maitland	1626		
	28	J. L. Harris 4 cs. Cherries 6 " Blackberries 15 " Raspberries Freight D. A. R.	Sheffield Mills	1627		3 00
July	31	Consignments To Freight and Truckage	\$6.10	\$6.10		6 10

SALES BOOK.

Date 1916		Purchase	Lot	L. F.	Amount	Consign- ment	Mdse.
July	14	E. S. Miller Halifax 3 cs. Onions \$4.10 2 bbls. Potatoes 3 .25 2 only Cheese— .15	1216 1210		12 .30 6 .50 9 27 .80	12 .30 9 32 .75	6 .50
	18	A. A. McAdam Dartmouth 4 dos. Cabbage .90 5 " Cauliflower 1.75 100 lbs. C. Butter .32	1221 1209		3 .60 8 .75 32 44 .35	8 .75 32	3 .60
	29	Smith&Schnare New Glasgow 4 cs. Eggs—120 .25 6 only Cheese—180 .15	1218 1210		30 27 57 129 .15	30 27 119 .05	10 .10

31 A/cs Receivable
Consignment Sales
Mdse.
Entry for General Journal

129.15
119.05
10.10

MARITIME DOUBLE ENTRY.

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SEPTEMBER PRICE LIST.

Buying	Quantity	Buying										Selling			
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
Charges															
3 10	1. 75 Apples 50 Beets 30 Butter-creamery 24 Butter-dairy 85 Cabbage 70 Carrots 1. 25 Cauliflower .55 Celery .13 Cheese—30 ea. .27 Corn .07 Cucumbers .20 Eggs—30 ea. 4. 25 Onions 75 Parsnips 70 Peaches 65 Pears 35 Plums .50 Potatoes 5 00 Sauerkraut 70 Tomatoes	bbl	2 75	2 50	2 80	2 55	2 85	2 60	2 90	2 65	2 95	2 70	bbl	bbl	bbl
	.60	.70	.62	.72	.64	.74	.66	.74	.66	.76	.68	.78	.60	.70	.68
	.40	.37	.31	.32	.30	.36	.33	.32	.33	.31	.38	.35	.40	.38	.35
	.25	.28	.31	.33	.26	.29	.29	.32	.34	.34	.27	.30	.25	.27	.30
	.15	.10	.09	.10	.13	.08	.12	.10	.12	.10	.09	.06	.08	.06	.06
	.72	.78	.84	.90	.76	.82	.88	.74	.80	.80	.86	.86	.72	.80	.86
	1.20	1.70	1.30	1.80	1.40	1.90	1.50	2.00	1.60	2.00	1.60	2.10	1.50	1.50	1.10
	.80	1.20	1.40	.90	.60	1.30	1.00	.70	1.50	.70	1.50	1.10	.80	.80	.80
	.21	.16	.20	.15	.19	.14	.18	.18	.18	.17	.17	.12	.24	.24	.36
	.42	.34	.28	.40	.32	.26	.38	.30	.30	.24	.24	.18	.22	.22	.18
	.24	.10	.16	.22	.08	.14	.20	.08	.12	.08	.12	.18	.25	.25	.30
	.21	.26	.22	.27	.23	.28	.24	.29	.25	.28	.25	.30	.28	.28	.30
	4.60	4.40	4.48	4.38	4.48	4.36	4.44	4.34	4.42	4.32	4.32	4.32	4.32	4.32	4.32
	.84	.78	.72	.66	.80	.74	.68	.82	.76	.76	.76	.70	.76	.76	.70
	1.25	1.10	1.35	.95	1.20	1.05	1.30	.90	1.15	1.15	1.00	1.00	1.00	1.00	1.00
	.95	1.20	.90	1.15	.85	1.10	.80	1.05	.75	.75	.75	.75	.75	.75	.75
	.50	.65	.40	.80	.55	.70	.45	.85	.60	.60	.60	.75	.60	.60	.75
	.60	.68	.74	.62	.70	.76	.64	.72	.78	.78	.78	.80	.78	.78	.80
	6.10	5.70	5.50	6.00	6.30	5.60	5.90	6.20	5.40	5.40	5.40	5.80	5.40	5.40	5.80
	.82	.96	.90	.84	.96	.92	.86	1.00	.94	.94	.94	.94	.94	.94	.94

SEPTEMBER TRANSACTIONS.

- Sept. 1. H. M. Chipman commenced the Produce Commission business at 73 College St., investing \$3000 cash.
 Rented office and storage warehouse from E. Kaulbach at an annual rental of \$600, payable monthly in arrears.
 Engaged student as bookkeeper at \$75 per month, M. L. Cleland as stenographer at \$50 per month, and Charles Hopkins as clerk at \$40 per month.
 Deposited in Bank \$2900.
 Bought on cheque per bill of P. L. E. Napier, sundry office furniture, \$112.75.
 Paid by cheque to J. S. Percy, \$36.50 for office stationery.
 Bought of E. W. Saltman, Mahone:
 300 lbs. Creamery Butter
 500 " Dairy Butter.
 Paid in Cash freight on above, \$3.25.
 Paid in Cash for postage and telegrams, \$4.25.
 Paid W. F. Meehan by cheque for making and painting sign, \$15.75.
 Paid by cheque Harold Kirby for removing and replacing shelving and partition, \$22.50.
 Bought on my 10 day note, payable at my office, of S. A. Grimm, Springfield, delivery wagon, horses and harness, \$337.50.
 Engaged C. Haverstock as teamster at \$40 per month.
 Contracted with the Maritime Record for 10,000 lines to be used for advertising purposes as desired.
- Sept. 3. Received from R. D. Sutton, Canard, to be sold on his account and risk, Lot No. 1800:
 40 bbls. Apples 40 bskts. Pears
 50 bskts. Plums 50 " Peaches.
 Paid by cheque to Students' Railway, freight on the above \$13.
 Our charge for truckage on same \$2.

MARITIME DOUBLE ENTRY.

Bought of B. A. Palmer, Auburn:

30 bskts. Plums	25 bskts. Peaches
25 " Pears	

Paid freight \$4.50 in Cash

Bought on my cheque of M. G. Osborne, 10 doz. Celery.

Sold L. Hatcher & Co., City.

10 bbls. Apples	No. 1800
15 bskts. Plums	No. 1800
10 " Peaches	No. 1800
2 doz. Celery	

Paid in cash for shoeing horses, \$3.

Placed Insurance Policy for \$1200, @ 1 1/4%, with Green & Steffen, agents, paying for same by cheque.

Bought of L. E. Colborne, Collingwood:

500 lbs. Creamery Butter	
750 " Dairy Butter.	

Paid freight on same in cash, \$2.50.

Bought of M. B. Young, Bridgetown:

225 bbls. Apples.	
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Paid freight by cheque, \$18.75.

Sold L. Hatcher & Co.:

20 bskts. Pears	No. 1800
10 bbls. Apples	No. 1800

Sold J. A. Morrow, City, for Cash:

125 lbs. Dairy Butter	
75 " Creamery Butter.	

Shipped per S. S. "Breton Queen" to J. T. MacLeod, Glace Bay, to be sold on my account and risk:

100 bbls. Apples	
600 lbs. Dairy Butter.	

Paid wharfage \$1.25 to L. M. Snow, in cash.

Paid in cash to H. H. Miller, Marine Insurance on shipment at 1 1/2%.

Sept. 5. Received from H. J. Kenty, Enfield, to be sold on his account and risk, Lot No. 1801:

15 bus. Carrots	15 bus. Parsnips
75 " Potatoes	75 doz. Corn
40 bskts. Tomatoes	40 " Cucumbers
25 cs. Onions	25 bus. Beets.

Truckage on above, \$2.50; paid in cash, freight, \$4.75.

Bought by cheque a Bank Draft in favor of M. B. Young for \$300, exchange 1%.

Sold Rex. H. Publicover, City:

8 doz. Corn	No. 1801
15 bskts. Plums	No. 1800
6 " Peaches	No. 1800
10 bus. Potatoes	No. 1801
3 " Beets	No. 1801

Bought of G. S. Harvey, Hillaton:

125 bskts. Plums	75 bskts. Peaches
75 " Pears.	

Paid in Cash freight \$8.25.

Received from L. Hatcher & Co. to apply on account their cheque for \$75.

Accepted draft of L. E. Colborne, at 10 days from the 3rd, in favor of himself, in settlement of my purchase of that date.

- Sept. 6. Bought of E. V. Conroy, Parks Creek:
 25 bbls. Sauerkraut 25 doz. Cabbage
 Paid in Cash freight to Capt. A. P. Creaser of Schooner "LaHave
 Packet," \$18.50.
 Sold W. G. Morgan, Channel, Nfld.,
 30 bskts. Tomatoes No. 1801
 100 lbs. Dairy Butter.
 Received from R. P. Creaser, Riverport, to be sold on his account
 and risk, Lot No. 1802:
 20 doz. Cabbage 20 doz. Cauliflower
 15 bbls. Sauerkraut 15 doz. Celery.
 Freight was prepaid; I paid wharfage in cash 50 cents. My charge
 for truckage \$1.25.
 Sold J. A. Macdonald, City, for Cash
 75 lbs. Dairy Butter 12 bskts. Plums
 50 Creamery Butter
 Deposited in Bank \$100 currency and cheque on hand.
 Sept. 7. Received from Charles W. Cox, Brookfield, charges prepaid to be
 sold on his account and risk, Lot No. 1803:
 300 lbs. Dairy Butter 300 lbs. Creamery Butter
 10 only Cheese 10 cs. Eggs
 Truckage \$2.25.
 Bought of F. S. Cleveland, Chester, f.o.b. here.
 100 doz. Celery 15 bus. Beets
 15 bus. Carrots 25 cs. Onions.
 Paid wharfage in cash, \$1.25
 Sold Empress Hotel, City:
 20 bskts. Plums
 50 lbs. Dairy Butter No. 1803
 20 bus. Potatoes No. 1801
 10 doz. Celery No. 1802
 1 only Cheese No. 1803
 10 bskts. Tomatoes No. 1801
 4 bbls. Sauerkraut No. 1802
 Paid in Cash to J. M. Mitchell, for brooms, brushes, etc., \$2.64
 Sold L. Hatcher & Co.:
 2 bbls. Sauerkraut
 15 bskts. Plums No. 1800
 20 Peaches No. 1800
 Sold Rex. H. Publicover:
 8 bskts. Peaches No. 1800
 7 doz. Corn No. 1801
 5 cs. Onions No. 1801
 5 bus. Potatoes No. 1801
 2 Carrots No. 1801
 3 Parsnips No. 1801
 Sept. 8. Sold L. C. Giffin, Goldboro:
 6 only Cheese No. 1803
 12 bbls. Apples.
 Paid by cheque a demand draft of G. S. Harvey, in his own favor
 for my purchase of the 5th.
 Sold E. T. Tobin, Dartmouth:
 8 bbls. Apples No. 1800
 10 bskts. Pears No. 1800
 30 lbs. Dairy Butter No. 1803
 20 Creamery Butter No. 1803

MARITIME DOUBLE ENTRY.

Sold J. R. C. Haystead, Bedford:		
50 lbs. Dairy Butter	No. 1803	
10 bskts. Plums.		
Sold W. H. Darnell, Dartmouth:		
2 only Cheese	No. 1803	
5 bbls. Apples	No. 1800	
5 doz. Cabbage	No. 1802	
5 bskts. Pears	No. 1800	
5 doz. Celery	No. 1802	
1 cs. Eggs	No. 1803	
2 bbls. Sauerkraut	No. 1802	
Sept. 10. Sold L. G. Findlay, Sambro		
90 lbs. Dairy Butter	No. 1803	
30 bus. Potatoes	No. 1801	
40 lbs. Creamery Butter	No. 1803	
12 bus. Carrots.		
Bought of E. W. Saltman:		
100 lbs. Creamery Butter	15 only Cheese	
150 " Dairy Butter.		
Paid freight, \$3.60 in cash.		
Sold Empress Hotel:		
30 lbs. Creamery Butter	No. 1803	
1 cs. Eggs	No. 1803	
2 bbls. Sauerkraut	No. 1802	
5 doz. Cucumbers	No. 1801	
5 bskts. Peaches.		
Sold J. W. G. Wakefield for Cash:		
75 lbs. Creamery Butter		
8 bskts. Plums		
20 " Peaches.		
Sent E. V. Conrad my cheque in settlement of the purchase of the 6th.		
Sold W. H. Darnell.		
1 only Cheese	No. 1803	
2 cs. Eggs	No. 1803	
5 doz. Cabbage	No. 1802	
3 bbls. Sauerkraut	No. 1802	
10 doz. Cauliflower	No. 1802	
Sold Rex H. Publicover:		
5 bskts. Plums	No. 1800	
6 " Peaches	No. 1800	
3 bus. Carrots	No. 1801	
2 bus. Parsnips	No. 1801	
2 " Beets	No. 1801	
Deposited \$100 in currency.		
Prove Cash and have same verified by Teacher.		
Sept. 11 Received from Holt Bros. Hillaton, to be sold on their account and risk, Lot No. 1804:		
80 bbls. Apples	80 bskts. Pears.	
Paid freight, \$16.25 by cheque; truckage \$5.50.		
Sold Ross Findlay, Westville:		
20 bbls. Apples	No. 1804	
4 only Cheese		
Paid by cheque demand draft of Chas. W. Cox against his consignment for \$150, drawn in his own favor.		

Received from Empress Hotel, J. B. Naylor, Jr., Proprietor, \$100
cash on account.

Sold E. T. Tobin:

10 lbs. Creamery Butter	No. 1803
5 bskts. Pars	No. 1800
7 bbls. Apples	No. 1800

Rendered account Sales for No. 1800; storage \$1.25, advertising
\$2.50, commission @ 5%. Place Net Proceeds to credit of
consig^{ee}.

Sold E. J. Ware City

5 only	Beets
80 lbs. Dairy Butter	No. 1803
40 " Creamery Butter	No. 1803
10 doz. Cauliflower	No. 1802
5 " Cabbage	No. 1802

Sept. 12. Bought of M. L. Colp, Port Mouton:

40 doz. Celery	15 doz. Cabbage
15 bus. Parsnips.	

Paid in Cash freight, \$3.75, to Capt. H. L. Lantz, Schr. "Mersey
Lass."

Received from G. H. Wilson, Falmouth, to be sold on his account
and risk, Lot No. 1805:

100 bus. Potatoes	100 doz. Corn
40 cs. Onions	40 bus. Beets.

Paid by cheque freight, \$17.25; truckage \$9.75.

Bought of Roy J. O'Brien, Noel, freight prepaid to Truro:
50 cs. Eggs 25 cs. Onions.

Paid freight in cash \$7.50.

Sold L. C. Giffin:

10 cs. Onions	No. 1805
6 bskts. Pears.	

Bought by cheque a Bank Draft in favor of E. W. Saltman, for \$300,
exchange $\frac{1}{2}\%$.

Sold J. R. C. Haystead:

20 lbs. Creamery Butter	No. 1803
12 bbls. Apples.	

Accepted the 3 days sight draft of F. S. Cleveland in favor of H.
H. Irwin, for my purchase of the 7th.

Sold S. S. "A. L. Lintlop":

30 bus. Potatoes	No. 1805
3 bbls. Sauerkraut	
25 doz. Corn	No. 1805

Sold W. H. Collins, City, for cash:

5 doz. Celery	3 bus. Parsnips
2 cs. Eggs	3 cs. Onions.

Sept. 13. Received from H. O'Brien, Noel, freight prepaid, to be sold on
his account and risk, Lot No. 1806:

60 bskts. Tomatoes	60 doz. Cucumbers
25 bus. Carrots	25 bus. Parsnips.

Truckage \$5.25.

Sold J. P. Haliburton, Bonne Bay, Nfld.:

25 bbls. Apples	No. 1804
20 bus. Carrots	
20 bskts. Tomatoes	No. 1806
30 bus. Parsnips	
40 doz. Corn	No. 1805

MARITIME DOUBLE ENTRY.

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Received from W. H. Darnell his cheque in full of account.
Sold Empress Hotel:

20 lbs. Creamery Butter	No. 1803
4 bbls. Sauerkraut	No. 1802
20 doz. Corn	No. 1801
5 doz. Cucumbers	No. 1801
15 bskts. Peaches.	

Bought of A. P. Dill, Windsor:	
25 bbls. Apples	50 bskts. Pears
40 bskts. Peaches	75 " Plums.

Paid freight \$19.50 by cheque.
Received from Rex. H. Publicover his note at 7 days in full of account.

Sold L. G. Findlay:	
20 doz. Corn	No. 1801
15 cs. Onions	No. 1801
8 bus. Carrots	
50 lbs. Creamery Butter	No. 1803
10 bus. Parsnips.	

Sold J. C. Culton, Stellarton:	
25 bskts. Pears	No. 1804
40 " Plums	
30 " Tomatoes	No. 1806

Sept. 14. Received cheque from Empress Hotel to balance account.
Bought of R. P. Starratt on my note at 30 days an office safe \$475.
Sold C. W. Miller, City:

10 bus. Carrots	No. 1806
12 cs. Onions	
15 bus. Beets.	

Received from L. C. Giffin his cheque for \$75 with 15 cents added for exchange.

Sold Ross Findlay:	
18 bskts. Pears	No. 1804
2 cs. Eggs	
15 bus. Carrots	No. 1806

Received from R. L. Morse, Paradise, freight prepaid, to be sold on account and risk, Lot No. 1807:
125 bskts. Plums 125 bskts. Peaches.

Truckage \$2.50.

Paid by cheque Note due today.

Sold W. G. Morgan:	
30 doz. Cucumbers	No. 1801
60 lbs. Creamery Butter	
50 bskts. Peaches	No. 1807

Received from J. T. MacLeod, Account Sales for shipment No. 1, with Bank Draft for \$412.50 as Net Proceeds.
Deposited all remittances and \$100 in currency, exchange 15 cents.

Sept. 15. Sold E. J. Ware:

10 bus. Carrots	No. 1801
5 doz. Cabbage	No. 1802
3 cs. Eggs	
40 lbs. Creamery Butter	No. 1803
5 cs. Onions	No. 1801

MARITIME DOUBLE ENTRY.

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Rendered an Account Sales for No. 1802: Advertising \$2.75, storage \$1.50, commission @ 5%. The Proceeds are subject to sight draft.

Bought of R. F. R. Tolson, Bedford, f.o.b. our warehouse:
 50 bskts. Tomatoes 10 bus. Beets
 15 bus. Parsnips 5 " Carrots.

Drew on Ross Findlay at 10 days in my favor for \$100 and discounted the draft at the Bank.

Sold L. C. Giffin:

6 cs. Eggs	No. 1803
25 bskts. Peaches	No. 1807
10 bus. Beets	No. 1805
10 bskts. Plums	No. 1807

Bought on my cheque of R. A. Reid, Riverton, f.o.b. his siding:

150 bus. Potatoes	25 doz. Corn.
10 doz. Cauliflower	6 " Cucumbers.

Paid freight on same \$23.50 in cash.

Sold F. W. Kirkpatrick, City, for cash:

2 only Cheese	4 bus. Beets
3 bbls. Sauerkraut.	

Shipped J. McGowan, Waverley, to be sold on my account and risk:

15 doz. Corn	10 doz. Cauliflower
3 bus. Beets	25 bus. Potatoes
2 " Carrots	15 bskts. Tomatoes
12 bskts. Plums.	

Sept. 17. Received from H. Hatt, Tancock, to be sold on his account and risk, ex his Schr. "Island Queen," Lot No. 1808:
 150 doz. Cabbage 150 doz. Cauliflower
 100 bbls. Sauerkraut 100 " Celery.

Truckage \$11.50.

Sold J. R. C. Haystead:

6 bskts. Peaches	
50 doz. Cabbage	No. 1808
25 " Cauliflower	No. 1808
4 bskts. Pears.	

Paid by cheque draft due today.

Received cheque from E. T. Tobin in full of his account.

Sold L. G. Findlay:

10 bus. Potatoes	No. 1801
20 doz. Corn	No. 1801
15 bus. Beets	No. 1801
10 bus. Parsnips.	

Received from E. J. Ware his note at 7 days, payable at my office for \$125.

Sold S. S. "A. L. Lintlop":

25 doz. Corn	No. 1805
5 " Celery	
25 " Cabbage	No. 1808

Paid by cheque demand draft of R. D. Sutton, in full of account.

MARITIME DOUBLE ENTRY.

Sold J. C. Culton:	
15 bbls. Apples	No. 1804
30 bskts. Peaches	
10 bbls. Sauerkraut	No. 1808
20 bskts. Plums	
20 doz. Cucumbers	No. 1806
15 " Celery	No. 1808

Drew on demand on J. R. C. Haystead, in favor of R. F. R. Tolson for my purchase of the 15th.

Sept. 18. Received from M. C. Macdonald, Antigonish, to be sold on account and risk, Lot No. 1809:

750 lbs. Dairy Butter	750 lbs. Creamery Butter
20 only Cheese	20 cs. Eggs.

Paid by cheque freight, \$26.50; truckage, \$3.75.

Sold W. G. Morgan:

90 lbs. Creamery Butter	
30 cs. Onions	No. 1805
60 bskts. Plums	No. 1807

Bought of M. B. Young:

50 doz. Cucumbers	
50 " Celery	
60 bskts. Tomatoes.	
Paid freight \$7.75 in Cash.	
Sold W. W. Cahill, City:	

10 bbls. Sauerkraut	No. 1808
10 bskts. Pears	
200 lbs. Dairy Butter	No. 1809
10 doz. Cabbage.	

Received from L. G. Findlay his note at 6 days from date of last purchase in full of his account.

Sold F. F. Crooks, City, for cash:

2 bbls. Sauerkraut	2 bus. Parsnips
5 bus. Carrots	1 cs. Onions.

Paid by cheque draft due today.

Sold A. P. Calnen, City:

150 lbs. Dairy Butter	No. 1809
5 bbls. Sauerkraut	No. 1808
15 bskts. Plums.	
50 lbs. Creamery Butter	No. 1809

Sold Ross Findlay:

10 bbls. Apples	No 1804.
2 cs. Eggs	
10 bbls. Sauerkraut	No. 1808
60 lbs. Dairy Butter	No. 1809
15 bus. Parsnips	No. 1806
20 lbs. Creamery Butter	No. 1809

Received Account Sales from J. McGowan, showing proceeds \$42.50 subject to sight draft.

Sept. 19. Remitted to A. P. Dill to apply on account, my cheque for \$100 with 25 cents added for exchange.

Proprietor drew for private use by cheque \$77.50 and \$22.50 in cash.

Sold L. C. Giffin:

15 bskts. Plums	No. 1807
6 " Pears.	

Received from J. C. Culton on account Bank Draft for \$200
 Received from W. D. Burris, Musquodoboit, to be sold on his account and risk, Lot No. 1810, f.o.b. Dartmouth:
 500 lbs. Dairy Butter 500 lbs. Creamery Butter.
 Paid in cash ferriage 40 cents; truckage \$2.25.
 Received on account of S. S. "A. L. Lintlop," N. L. Sherman, agent, cheque for \$75.
 Sold J. A. McKay, City:
 6 bbls. Sauerkraut
 15 bskts. Pears
 5 only Cheese No. 1809
 Accepted sight draft of Holt Bros., for \$175 against their consignment in favor of P. B. Weir
 Sold J. P. Haliburton:
 15 bskts. Pears No. 1804
 10 doz. Corn No. 1805
 125 lbs. Dairy Butter No. 1810
 10 bus. Carrots
 50 " Potatoes No. 1805
 50 lbs. Creamery Butter No. 1810
 Sold C. W. Miller:
 50 doz. Cabbage No. 1808
 75 lbs. Dairy Butter No. 1810
 75 doz. Cauliflower No. 1808
 8 cs. Onions.
 Paid by cheque sight draft of R. F. Creaser in full of his account in favor of A. L. Ormiston.

Sept. 20. Sold J. R. C. Haystead:
 30 lbs. Creamery Butter No. 1803
 8 bskts. Pears
 25 doz. Cauliflower No. 1808
 4 bskts. Peaches.
 Rendered Account Sales for No. 1803: Advertising \$6.25, storage \$3.25, insurance \$1.25, commission @ 5%. Remitted Net Proceeds by Bank Draft for which I paid by cheque, exchange 30 cents.
 Bought of B.A. Palmer:
 100 bskts. Plums 60 bskts. Peaches
 75 " Pears.
 Paid freight \$4.70 in cash.
 Paid in cash for p stage and telegrams \$3.18.
 Sold Gordon Carter, City:
 15 bbls. Sauerkraut No. 1808
 5 only Cheese No. 1809
 25 bskts. Plums
 10 doz. Cucumbers.
 Received from L. Hatch & Co. \$50 cash to apply on account.
 Accepted the draft at 3 days sight of H. Hatt, dated yesterday, in favor of W. E. G. Hills, for \$500.
 Received from Douglas J. MacKay, Clyde River, to be sold on his account and risk, Lot No. 1811:
 15 only Cheese 15 cs. Eggs.
 Paid freight \$22.50 by cheque; truckage \$2.50.
 Remitted M. L. Colp an Express Order in payment of my purchase of the 12th, exchange 12 cents. Paid for same in cash.

MARITIME DOUBLE ENTRY.

Sold Fahie & Mahar, City:
 5 only Cheese No. 1811
 20 bbls. Sauerkraut No. 1808
 25 bskts. Tomatoes.
 Accepted the sight draft of W. D. Burris for \$150, in favor of the Farmers' Bank.
 Deposited all remittances.
 Prove your Cash and have same verified.
Sept. 21. Received from R. D. Fisk, Clarence, to be sold on his account and risk, Lot No. 1812:
 75 bbls. Apples 75 bskts. Pears.
 Charges prepaid; truckage \$6.75.
 Bought of L. E. Colborne:
 20 cs. Eggs 625 lbs. Dairy Butter
 12 only Cheese.
 Paid in cash freight, \$8.40.
 Remitted B. A. Palmer my cheque in settlement of the purchases of the 3rd and 20th.
 Sold S. S. "A. L. Lintlop":
 20 bus. Potatoes No. 1805
 25 bskts. Pears No. 1812
 2 bbls. Sauerkraut
 10 bbls. Apples No. 1812
 150 lbs. Dairy Butter No. 1810
 100 " Creamery Butter No. 1810
 Received from C. W. Miller to apply on account his cheque for \$225.
 Sold E. J. Ware:
 5 bus. Beets No. 1801
 2 cs. Eggs
 10 bus. Parsnips No. 1801
 Drew on J. McGowan for Net Proceeds of shipment and left same with the Bank for collection.
 Sold Jas. J. Duggan, City, for cash:
 15 bus. Potatoes 5 doz. Corn
 6 bskts. Tomatoes.
 Rendered an Account Sales for No. 1801: Storage \$1.50, Advertising \$3.25, commission @ 5%. Remitted Net Proceeds, less charges for remitting 50 cents, by Bank Draft.
Sept. 22. Received from Fahie & Maher to apply account, their cheque for \$100.
 J. R. C. Haystead sends his cheque to balance his account.
 Sold A. P. Calnen:
 200 lbs. Dairy Butter No. 1809
 20 bbls. Apples No. 1812
 25 bskts. Peaches
 10 doz. Celery No. 1808
 And received his cheque for \$200 to apply on account.
 Bought of E. V. Conrad, ex Schr. "LaHave Packet":
 50 doz. Cauliflower 40 doz. Cabbage
 Drew at 10 days from the 19th on J. P. Haliburton in favor of my Bank for \$200 and discounted same.
 Sold W. W. Cahill:
 25 doz. Celery No. 1808
 10 only Cheese No. 1811
 5 bskts. Peaches
 100 lbs. Creamery Butter No. 1809.
 Paid by cheque draft due today.

Sold W. G. Morgan:

50 lbs. Dairy Butter	
40 bskts. Plums	No. 1807
30 bus. Beets	No. 1805
50 bskts. Peaches	No. 1807

Rendered Account Sales for No. 1807: Advertising \$3.50, commission @ 5%. Net Proceeds to credit of consignor.

Rendered Account Sales for No. 1805: Storage \$1.15, commission @ 5%. Remitted my note at 10 days for Net Proceeds.

Shipped per S. S. "Gold Hunter" to G. F. Doggett, Goldenville, to be sold on my account and risk:

10 bskts. Peaches	18 bskts. Plums
18 doz. Cabbage	3 bbls. Sauerkraut
40 bus. Potatoes.	

Paid wharfage in cash \$2.50.

Sept. 24. Remit L. E. Colborne my cheque for \$216.80 to apply on account. Received on account of S. S. "A. L. Lintlop" cheque for \$125.

Sold J. A. McKay:

10 doz. Celery	
5 bbls. Apples	
4 only Cheese	No. 1809

Received cash for note due today.

Sold E. W. V. Sawler, Dartmouth, for cash:

6 doz. Cucumbers	9 doz. Corn
75 lbs. Dairy Butter	15 lbs. Creamery Butter.

Remitted R. J. O'Brien in settlement of my purchase of the 12th a cheque for \$206.25, and a note at 10 days from date to balance account:

Sold Gordon Carter:

15 doz. Celery	No. 1808
100 lbs. Creamery Butter	No. 1809
15 bskts. Plums	
20 doz. Cucumbers.	

Deposited in Bank all remittances and \$125 currency.

Remit M. C. Macdonald on account of consignment my cheque for \$350.

Drew on W. G. Morgan at 30 days to balance his account. Discounted same at Bank.

Sold Fahie & Maher:

5 cs. Eggs	No. 1811
10 bskts. Pears	No. 1812
10 doz. Cucumbers	
20 doz. Celery	No. 1808
6 only Cheese	No. 1809

Sept. 24. Paid by cheque draft due today.

Sold J. C. Culton:

10 bbls. Apples	No. 1804
20 doz. Cucumbers	No. 1806
30 bskts. Peaches	
10 " Tomatoes	No. 1806
5 bbls. Sauerkraut	No. 1808

Issued my cheque for \$175 in favor of J. Huntley Cameron to apply on account of R. D. Fisk.

MARITIME DOUBLE ENTRY.

- Sept. 25. Received from M. C. Macdonald to be sold on account and risk
 Lot No. 1813:
 800 lbs. Dairy Butter 750 lbs. Creamery Butter
 Paid freight \$15.50 by cheque; truckage \$2.50.
 Received from R. D. Fisk, to be sold on his account and risk, Lot
 No. 1814:
 250 bskts. Plums 250 bskts. Peaches.
 Paid freight \$10 by cheque; truckage \$2.50.
 Sold J. Carleton Munro, Hopewell:
 100 lbs. Creamery Butter No. 1813
 50 " Dairy Butter No. 1814
 60 bskts. Plums No. 1814
 40 " Peaches No. 1814
 200 lbs. Creamery Butter No. 1813
 Bought of G. S. Harvey:
 50 bskts. Tomatoes 75 bbls. Apples
 Paid freight \$7.50 in cash.
 Received from L. C. Giffin his cheque to balance account.
 Sold J. P. Haliburton:
 20 doz. Cucumbers No. 1806
 75 lbs. Creamery Butter No. 1810
 10 bskts. Pears No. 1804
 Received from J. A. McKay to apply on account his cheque for \$90.
 Shipped L. E. Collum, Trenton, to be sold on my account and risk:
 30 bbls. Apples 10 bbls. Sauerkraut
 25 bskts. Peaches 30 bskts. Pears
 50 " Plums 12 cs. Onions.
 Prepaid by cheque freight \$7.25.
 Sold Ross Findlay:
 12 bskts. Pears No. 1804
 5 bbls. Sauerkraut No. 1808
 80 lbs. Creamery Butter No. 1809
 15 doz. Celery No. 1808
 40 lbs. Dairy Butter No. 1809
 Rendered Account Sales for No. 1804: Storage \$4.00, advertising
 \$3.75, insurance \$1.10, commission 5%. Net Proceeds sub-
 ject to demand draft.
 Sept. 26. Bank reports McGowan draft collected, exchange 15 cents.
 Bought of F. S. Cleveland, f.o.b. here:
 15 bbls. Sauerkraut 25 doz. Cabbage
 15 doz. Celery.
 Received cash for note due today.
 Received from Gordon Carter his cheque for \$150 to apply on
 account.
 Sold C. W. Miller:
 10 bus. Parsnips No. 1806
 5 " Beets No. 1808
 25 doz. Cabbage No. 1808
 75 lbs. Creamery Butter No. 1810
 Rendered Account Sales for No. 1806: Advertising \$1.50, com-
 mission 5%.
 Remitted Net Proceeds by our cheque.
 Deposited all currency but \$10, also all remittances, exchange 25
 cents.

Sold S. S. "A. L. Lintlop":
 25 doz. Cauliflower No. 1808
 200 lbs. Creamery Butter No. 1810
 15 bbls. Apples No. 1812
 150 lbs. Dairy Butter No. 1810

Rendered an Account Sales for No. 1810: Storage \$2.25, advertising \$1.75, insurance \$1.00, commission 5%. Remitted our cheque for proceeds.

Bought of E. W. Saltman:
 250 lbs. Dairy Butter 125 lbs. Creamery Butter.

Remitted R. I. Morse my cheque for \$100.

Paid by cheque draft due today.

Issued cheque to Proprietor for \$15.99 in payment of travelling expenses, soliciting business in the Annapolis Valley.

Sept. 27. Received from E. J. Ware, his cheque to retire his note due today and for the balance of his account.

Sold MacPherson Bros., New Glasgow:

12 bbls. Apples	
30 bskts. Plums	No. 1814
25 " Peaches	No. 1814
6 " Pears	
80 lbs. Dairy Butter	No. 1813
40 " Creamery Butter	No. 1813

Bought of B. A. Palmer:

240 bbls. Apples.

Paid freight by cheque \$15.

Sold A. P. Calnen:

300 lbs. Creamery Butter	No. 1809
5 bbls. Sauerkraut	No. 1808
40 bskts. Pears	No. 1812
10 " Plums	
20 bbls. Apples	No. 1812

Received from Fahie & Maher to apply on account their cheque for \$100.

Sold G. J. Shiels, City, for cash:

5 bus. Potatoes	60 lbs. Creamery Butter
6 doz. Corn.	

Sold W. W. Cahill:

15 bbls. Sauerkraut	No. 1808
100 lbs. Creamery Butter	No. 1809
10 cs. Eggs	No. 1811
10 doz. Cauliflower	
5 bskts. Plums	
10 bbls. Apples.	

Rendered Account Sales for No. 1808: Storage \$5.25, advertising \$3.60, commission @ 5%. Net Proceeds subject to sight draft,

Rendered Account Sales for No. 1811: Storage \$1.25, insurance \$1.15, commission @ 5%. Remitted our cheque for \$100 to apply on account of Net Proceeds, balance to credit of consignor.

Sept. 28. Received from L. E. Collum a cheque for \$125 part proceeds of our shipment of the 25th.

Ross Findlay remits his cheque to balance account with 25 cents added for exchange.

MARITIME DOUBLE ENTRY.

Remit B. A. Palmer a cheque for \$120 and my note at 10 days to balance account.

Sold J. Carleton Munro:

40 bskts. Plums	No. 1814
60 " Peaches	No. 1814
100 lbs. Dairy Butter	
150 " Dairy Butter	No. 1813

Received from C. W. Miller his cheque to balance account.

Shipped J. T. MacLeod, No. 2, per Schr. "Louisburg Belle," to be sold on my account and risk:

100 bskts. Pears	45 bskts. Peaches
50 doz. Corn	15 doz. Cucumbers
9 bus. Beets	2 bus. Parsnips
8 doz. Cauliflower	13 doz. Celery

600 lbs. Creamery Butter.

Paid Marine Insurance at $1\frac{1}{2}\%$ in cash to M. R. Langille. Paid wharfage in cash to J. D. AuCoin \$2.75.

Received cheque to balance the account of the S. S. "A. L. Lintlop."

Sold Fahie & Maher:

15 doz. Cucumbers	
6 cs. Eggs	No. 1809
10 bbls. Apples	No. 1812

Deposited all remittances, exchange 50 cents.

Rendered Account Sales for No. 1812: Storage \$2.25, commission $\frac{1}{2}\%$.

Remit my cheque to balance consignor's account.

Received from A. P. Calnen his note at 30 days to balance account.

Received from W. W. Cahill his note at 15 days for \$300 and his cheque to balance his account.

J. Carleton Munro remits his cheque for \$300 to apply on account.

Sept. 29. Received from G. F. Doggett Express Order for \$79.32, being Net Proceeds of my shipment.

Sold MacPherson Bros.:

25 bskts. Peaches	No. 1814
20 " Plums	No. 1814
6 " Pears	
20 lbs. Dairy Butter	No. 1813
60 " Creamery Butter	No. 1813

Paid by cheque demand draft of Holt Bros. in favor of J. H. Townshend, for the balance of my account.

Paid by cheque sight draft of H. Hatt, in favor of the Farmers' Bank to balance his account.

Render partial Account Sales for No. 1813 and No. 1814, commission @ 5%. Show unsold quantities of the shipments on hand.

Proceeds in each case to credit of consignor.

Paid sundry office expenses, stamps, etc., in cash \$2.09.

Sold Gordon Carter:

100 lbs. Dairy Butter	No. 1809
5 cs. Eggs	No. 1809
40 bskts. Peaches	
30 " Tomatoes.	

Paid R. H. Fraser by cheque, for boarding team to date \$37.50.

Sold J. A. McKay:

4 bbls. Sauerkraut	
10 " Apples	
9 cs. Eggs	No. 1809

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Render Account Sales for No. 1809: Advertising \$2.75, Storage \$4.25, Insurance \$1.20, commission @ 5%. Remitted Bank Draft to close the account, exchange 50 cents
Proprietor took for private use \$25 in currency.
Paid by cheques all help.
Paid by cheque rent to date.
Paid demand draft of R. L. Morse in favor of J. B. Slocomb to balance account.
Deposited all remittances, exchange 30 cents.

Have your cash verified
Balance your Cash Book and post from all books of account to the several Ledgers
Take a summary of the Shipments, Consignments, Accounts Receivable, and Accounts Payable Ledgers, and verify these with the corresponding accounts in the General Ledger.
Take a Trial Balance of the General Ledger

The Proprietor desires you to prepare statements showing the loss or gain on the month's business.
The Sales were estimated at an average profit of 50% but owing to the perishable nature of the stock on hand 12½% should be written off the book value of the goods now on hand.
Items charged to Expense are valued at \$360 but allowance is to be made for unpaid bills, such as light, telephone, etc. \$7.50.
Furniture and Fixtures are valued at \$580.
Insurance prepaid, \$12.50.
Advertising in the Maritime Record due and unpaid \$63.73.

By Journal entry close all accounts affected by Loss and Gain, and present your books to Teacher for inspection.

MISCELLANEOUS EXERCISES AND PROBLEMS.

Exercise 1. Give Journal entries for the following:

- (a) You find that the proprietor omitted from his last inventory an unopened case of goods for which he had accepted and entered in his Bill Book a draft for \$135.
 - (b) Knickle & Gilfoy, partners ($\frac{1}{3}$ and $\frac{1}{3}$ interest respectively), found after the books were closed, that \$120 paid for taxes on Knickle's house was charged to Expense. Do not reopen the Loss & Gain Account.
 - (c) In opening the books of E. M. McDougall, you overlooked his safe, valued at \$325, and included a typewriter at \$100, which was the private property of the stenographer.
 - (d) When City taxes were paid, \$250 less 2%, the discount was placed in the Purchase Discount column.
 - (e) When paying a \$300 70-day interest-bearing note in favor of A. L. McLean you debited McLean \$303.
 - (f) When paying the plumber for installing in store a lavatory at a cost of \$62.50, you debited Expense.
 - (g) M. L. Keddy, J. S. Cameron and M. A. Hynes are partners, having invested \$3,000, \$3,600 and \$4,500 respectively. They were to be allowed interest on investments, but to share gains and losses equally. The bookkeeper's Loss & Gain Statement showed \$2,400 net profit, this she divided and closed all accounts affected by loss and gain except the partners' accounts. Her attention was then drawn to the fact that she had not allowed the partners interest. She adjusts this without reopening the Loss & Gain Account.
 - (h) J. V. Hiltz in paying an invoice for \$31.80 terms 5/10, n/60, remits the cheque of J. H. Duff, Bridgewater, for \$20 (exchange 25c.), an express order for \$10, and 46c. in postage stamps.
 - (i) J. B. Balcom delivers a City Directory. The bill is: Directory \$3.00 and \$15 additional for advertisement in same. We give in payment goods valued at \$4.25 and a cheque for balance.
 - (j) (a) C. A. Kilam and J. Roy Gordon are partners with \$4,000 and \$2,000 respectively to their credit, sharing gains in that ratio. They decide to admit J. G. McKeen as a partner, who is to have 1/5 interest in new business. McKeen pays to firm amount of his investment.
 (b) How will losses and gains be shared in the future?
 - (k) P. G. Morrow, who has been conducting a business, with a capital of \$5,000, decides to admit as a partner, E. R. Putnam. On the payment of \$3,000 to Morrow, Putnam is admitted as an equal partner.
 - (l) C. N. Whitman, in changing from Single Entry to Double Entry, made a slip in totalling the credit side of J. J. Condon's account, the total being \$10 too small. He retained the same Ledger. A week later the error was discovered. Give required entry if: (a) The account was not balanced at the time of the change. (b) The account was balanced at that time.
 - (m) T. D. Farquhar holds E. E. Harlow's note for \$1,200 which is due today. Harlow pays in cash \$600 and gives a new note at 70 days to cover balance and discount on renewal.
- Exercise 2.** For amounts refer to your Cash Book for July and write up a Cash Book for that month, using:
- (a) Style E, p. 53-59.
 - (b) Style D, p. 46-47.

J. W. Davies has been keeping his accounts by Single Entry (only personal accounts in his Ledger) and engages you to open a set of Double Entry books for him. The first thing is to prepare a Balance Sheet showing his Present Worth, thus:

Balance Sheet.

Mdse.	\$1975 50	D. McG. Chisholm	\$ 375 00
H. Boggs	145 90	Bills Payable	425 50
J. Higson	49 60	J. H. Fraser	175 00
Bills Receivable	205.00	J. W. Davies, C. A.	1800 00
Cash	400.00		
	\$2776 00		\$2776 00

If a new Ledger is to be opened you will make the ordinary opening Journal entry debiting the assets and crediting the liabilities.

If the same Ledger is to be used you will check mark all personal accounts, for these are already in the Ledger and will not be again posted. New accounts will be opened for the impersonal accounts, Mdse., Bills Receivable and Payable, etc.

The style of Double Entry you use must be regulated by the business and the information the proprietor wishes to obtain.

Exercise: M. L. McNeil and L. M. Shanks entered into co-partnership a year ago, investing \$1500 and \$500 respectively which accounts are to remain intact. Interest was to be allowed on capital invested and salaries of \$40 and \$50 per month respectively paid. Gains and Losses were to be borne in proportion to capital invested.

At the end of the year the accounts being in disorder you are called in to prepare a statement and open a set of Double Entry. On examination you extract the following additional information: McNeil has drawn on account of salary, \$375; Shanks, \$425; Interest has not been allowed on investments; Rent due and unpaid, \$75; Goods on hand, \$1785; Cash in box, \$37 50; in Bank, \$212.50; R. Clark owes on %, \$380; Due R. A. Flinn on account, \$592; Notes outstanding, \$750.

- (a) Prepare statement showing condition of business
- (b) Give Journal entry necessary if using the same Ledger.
- (c) Give Journal entry necessary if a new Ledger is to be used.

H. T. McLeod and C. H. Murray are partners, 3/5 and 2/5, in a wood-working concern. They propose to Allister McLean that he take a $\frac{1}{3}$ interest in their business. They present the following statement of their affairs: Mill, \$8,750; Machinery, \$16,675; Mortgage Payable, \$2,500; Electric Plant, \$475; Bills Receivable, \$1,280; Bills Payable, \$10,300; Raw Materials, \$9,250; Stock (manufactured goods), \$7,550; Cash, \$1,645. McLeod's P/A, \$1,375, Cr.; Murray's P/A, \$1,450, Cr.; McLeod's C/A, \$18,000; Murray's C/A, \$12,000. McLean thinks that 8% should be written off Mill, Machinery, Electric Plant, Raw Materials and Goods, and 6% off Bills Receivable. He insists that no private accounts be kept and that their drawings be confined to their salaries. The present partners agree to the reduction in the valuation of their Assets and to leave their investments as at present. They will draw out or pay in the necessary cash to close their private accounts. McLean will pay to the new firm \$5,500 in cash and deed to the firm as the balance of his investment a timber limit which he owns.

- (a) Show amended Balance Sheet.
- (b) The Journal entry to open the books of the new firm if: (1) Old Ledger is retained. (2) New Ledger is opened.

MARITIME DOUBLE ENTRY.

A. Little Sleepy placed I. B. Swift in charge of a Branch Store at a salary of \$70 per month. The rent of the premises was \$360 per year. At the time the agent took charge the books showed cash on hand, \$72 ; Goods per inventory, \$928 ; Sundry Debtors owe \$325 ; and due to Sundry Creditors, \$425.

Fifteen months later Swift was reported as having left for parts unknown and U. R. Green, his bondsman, requests you to examine the accounts of the agency to ascertain how much he should pay to Sleepy.

On inspection you find : Cash on hand, \$95 ; Mdse. inventoried at \$2700 ; due to sundry Creditors, \$2500 ; \$980 charged in Cash Account against Salary ; paid for clerk hire, \$535 ; Purchases, \$9772 ; Sales, \$11200 ; Bills Payable, \$900 ; Bills Rec., \$175 ; Rent paid, \$360 ; paid for Telephone Rent, \$30 ; remittances to Sleepy aggregating \$900 ; Sundry Debtors, \$725 ; due Clerks, \$40 ; City Taxes unpaid, \$25.

A. Little Sleepy, having consented to your investigating the accounts of the agency, asks you to prepare for him a Loss and Gain Account for the period under review and a Balance Sheet of the Agency at this date.

A. J. Artz and M. P. McAulay purchased a hotel business (one in Truro and one in Sydney) for \$37,500, of which the former paid 2/5, the latter 3/5. Each kept separate account of receipts and disbursements. Artz, who was at Truro, received \$12,600, and paid out \$9,500. McAulay, at Sydney, received \$14,200 and paid out \$17,800. At the close of the year's business, the hotels were sold for \$43,200, \$30,000 of which was paid in cash, the balance on a promissory note. Artz agreed to take the note, less 5% of face value. Draw up a Statement, showing the accounts of each partner and how much cash is due to each.

Aug. 31/08. The following information is taken from the books of Crowell & Olding, who share gains and losses in proportion to capital invested. Interest is allowed on capital accounts at 6%. Salaries of \$1,200 and \$1,000 per annum respectively.

Purchases, \$12,000; Sales, \$8,725; Real Estate, \$9,600, 6% Mortgage on same (dated Sept. 30/07), \$5,000; Mortgage Interest, Dr., \$150; Bills Receivable, \$916.75; Int. and Disc. Dr., \$122.50; Bills Payable, \$4,930; Commission Cr., \$95; Bank collections, \$405.50; Bank Collaterals, \$715.25; Wholesale Grocers, Ltd., Stock, \$1,000; Expense, \$816.50; Duty, \$102.50; Cash, \$15.50; Salaries, \$716.20; Charities, \$37.80; J. Olding W/A, \$374; H. E. Crowell, W/A, \$400; H. E. Crowell, Loan A/c, \$1,500 (Cr.); J. Olding, C/A, \$4,000; H. E. Crowell, C/A, \$2,000; Personal A/cs Dr., M. F. McKay \$412.35; J. F. Hanlan, \$605.50; W. A. Higgs, \$564.65; Personal A/cs Cr., O'Brien & Co., \$925; Reid Bros., \$1,075; Knickle & Gilfoyle, \$705.

N.B.—Bank Collections are notes and drafts held by Bank for collection. Bank Collaterals represent assets placed with the Bank as security for loans.

Books to be used: Journal, Cash (choose your own style), Bill Books and Ledger. Open Leger for above and show Trial Balance at this date.

- Sept. 1. Note No. 73 for \$500 due. Give new note for \$250 at 70 days, and pay balance and discount in cash. To raise the cash the firm discount their joint note for \$400 at 70 days.
2. Draw on Higgs at sight less 2%, and leave for collection. McKay paid his account less 5%.

3. The \$125 note of E. C. Leslie we discounted was dishonored. We issue cheque. Legal expenses, \$1.15.
 4. J. F. Hanlan has compromised at 70c. on \$1.00. Besides his account we discounted his note for \$125, which matures on 13th. Receive from assignee cheque to cover both.
 9. Bank reports on collections: Notes, Nos. 71, 75, \$205.50, paid in full; No. 79, of W. A. Hendry, for \$200, \$100 collected and note returned. Charges. 70c.
 13. Took up Hanlan's note. Higgs' draft paid. Exchange $\frac{1}{2}\%$.
 16. Reid Bros. drew at sight, less 5%. Accept. Paid note No. 81, \$530.
 17. An accommodation draft of A. H. Liebke for \$730 matures today. He has not remitted. Borrow that amount from the Maritime Trust Co. for 10 days. Place with them as collateral security the Grocer's stock you own. Take up draft.
 19. Maritime Mercantile Agency report Liebke has assigned to H. R. Anderson. Paid draft due.
 22. A fire having ruined the stock and building decide to wind up business on 30th inst. Leslie paid \$128 to balance his a/c.
 25. Insurance Co. pay \$5,300 on stock and \$7,500 on building. Paid off mortgage and 4 months' interest on same.
 26. Sold building and lot for \$2,000 cash. Hendry paid his a/c.
 27. Paid all open accounts. Paid all Bills Payable, less \$23.50, discount to maturity.
 28. Mr. Crowell took the Bills Receivable, less 10% of their face value, as against his account.
 29. The Bank releases the collaterals they hold. Mr. Olding takes these less 10% of face value.
 30. The Trust Co. buys the collateral stock they hold for \$1,150 cash. They charge us interest on loan and pay balance.
- Oct. 1. Sold to Wylie Speculator for cash, our claim against estate of Liebke, at 40c. on the \$1.00.
 Credit H. E. Crowell with half year's interest, @ 6% on his loan.
 Credit partners with salaries and interest on capital accounts, for one year.
 Pay in cash all help to date, \$315.40.
 Prepare Loss & Gain Statement and Balance Sheet.
2. Issue cheques to partners for the amount due to each by business. Close all accounts including Cash Book.
- Write a Stock Certificate for the shares in Wholesale Grocers, Ltd., above referred to, if capital is \$30,000 and par of shares \$50 each.
- Refer to your previous work for amounts and write up a Cash Book for May and June, using same rulings as used for July work.

MARITIME DOUBLE ENTRY.

You are given :

- (1) The Balance Sheet as on Jan. 1/16 of H. J. & R. A. Stech, trading under the name and style of H. J. Stech & Son.
- (2) The Cash Transactions for twelve months to Dec. 31/16.
- (3) A Summary of the remaining transactions for that year.

No. 1.

Acadian Bank 1/1/16.....	\$ 8000	To Public :
Bills Receivable.....	3000	Bills Payable..... \$ 3200
Debtors.....	\$8000	Creditors..... 7200
Less D. D. Reserve.....	200	To Proprietors :
Mdse.....	12000	H. J. Stech C/A..... 30000
Plant and Machinery.....	8000	R. A. Stech C/A..... 10000
Land and Buildings.....	12000	H. J. Stech W/A..... 00
	\$50800	\$50800

No. 2.

Acadian Bank 1/1/16.....	\$ 8000	Salaries..... \$ 2400
Debtors.....	54000	Wages..... 2960
Bills Receivable.....	18000	B. Payable..... 14640
		Creditors..... 29400
		Office Expenses..... 1600
		H. J. Stech W/A..... 4000
		R. A. Stech W/A..... 2000
		Balance 31/12/16..... 23000
	\$80000	\$80000

No. 3.

Purchases.....	\$60000
Purchase Discounts.....	200
Sales.....	76000
Sales Discounts.....	400
Bills Receivable received.....	18200
Bills Payable issued.....	31000
Mdse. on hand 31/12/16.....	14000

You are to write off for depreciation on Plant and Machinery \$800 and create a Reserve for Depreciation on Buildings of \$600, allow \$500 for possible loss in collecting accounts and notes due firm, allow the partners salaries of \$150 and \$75 per month for the year respectively.

Prepare a Loss and Gain Statement and Balance Sheet on December 31/16, dividing losses and gains in proportion to Capital Accounts.

Give Journal entries to adjust Loss and Gain A/cs.

Show your Ledger A/cs properly balanced on Dec. 31/16.

Balcolm, Meek and Macdonald traded in partnership sharing Profits and Losses in the proportions of 1/2, 1/3 and 1/6, respectively. They determined to give up business on Dec. 31/16, their Balance Sheet showing as follows :

Debtors.....	\$4800	Creditors..... \$2600
Stock.....	8400	Balcolm's C/A..... 8880
Cash.....	360	Meek's C/A..... 3320
Macdonald's C/A.....	1240	
	\$14800	\$14800

They accepted an offer from Blackie of \$4000 for the Book Debts and \$6800 for the Stock.

Adjust the accounts and show the Capital Accounts of the respective partners.

Macdonald deposited to credit of firm the amount shown due by him as per your statement. Cheques are issued to Balcolm and Meek. Keep Cash Account in Ledger. Show Ledger properly closed.

Beamish, Blackie and Silliker carry on business in partnership, sharing gains and losses equally. On Dec. 31, 1916, their Balance Sheet was as follows:			
Debtors.....	\$38000	Creditors.....	\$27500
Stock.....	25000	Mortgage Payable.....	7000
Loose Tools.....	7500	Beamish.....	25000
Plant and Machinery.....	11500	Blackie.....	25000
Buildings and Land.....	10000	Silliker.....	12500
Bank.....	5000		
	\$97000		\$97000

Show Ledger Accounts for above.

Beamish wishes to retire from the partnership but will leave for 90 days his interest in the business and Blackie and Silliker agree to purchase the business on the following terms:

5% to be written off Debtors.

15% " " Stock.

10% " " Loose Tools.

Valuation of Plant and Machinery, \$10000.

Buildings and Land, \$12500.

Illustrated catalogues and electros on hand (not included above), \$550.

Blackie and Silliker to assume the mortgage.

Make the Journal entries required, post to Ledger accounts.

Make out a Balance Sheet after the adjustments are completed.

Corkum, Creaser and Cushing are partners, receiving salaries of \$90, \$70 and \$50 per month. The profits after salaries are allowed, up to \$3000, are to be divided 1/2, 1/3, 1/6, over \$3000 equally. Corkum retired from active business and waives his right to salary for 1916. The profits for that year, before charging salaries, amount to \$5400. To what extent will each be affected by Corkum's concession?

O'Brien and Crowe, dealers in Boots and Shoes, both of whom have kept their books by Single Entry decide to unite under name of O'Brien & Crowe, and ask you to open a set of Double Entry Books using as books of original entry : Journal, Cash, Sales and Bill Books.

The following is a statement of their effects as far as can be learned at this date, January 1/16.

ASSETS :	O'BRIEN	CROWE
Real Estate.....	\$11500	Nil
Stock.....	3500	\$5600
Debtors.....	\$850	\$1200
Less 6%.....	51	72
Store Fittings.....	799	—
Cash.....	750	925
Bank.....	51	47
	Nil	1300

MARITIME DOUBLE ENTRY.

LIABILITIES :

Mortgage Payable.....	5500	Nil
" Interest Due.....	165	Nil
Bills Payable.....	1335	2400
Creditors.....	1000	2600
Bank.....	600	Nil

Show the opening Journal entry.

Darrol J. Jeffers has been conducting a business, as sole owner, keeping his books by Single Entry.

BALANCE SHEET MAY 31/16.

Mdse.....	\$5800	D. J. Jeffers C/A.....	\$5000
Store Fixtures.....	925	Bills Payable.....	2400
Cash.....	49	Scriven & Scriven.....	400
Bills Receivable.....	428	Bank.....	600
E. J. Ware.....	800	E. T. Tobin.....	300
Expense (Bo., etc.).....	18	D. J. Jeffers W/A.....	280
H. M. Chipman.....	180		
R. D. Sutton.....	780		
	\$8980		\$8980

He proposes to C. T. Oulton that he should buy a half interest in the business. Oulton agrees provided the books be kept by Double Entry, Jeffers' capital to remain intact, and that 5% be written off the value of stock on hand; \$50 to be set aside as a provision for loss in collecting the accounts due. Jeffers consents.

- (a) Show Jeffers' Single Entry Ledger.
- (b) Show the Journal Entry to change to Double Entry and show this entry posted to the new Ledger.
- (c) Show Jeffers' amended Balance Sheet.
- (d) Give the Journal entries to affect the adjustments, as per "C" and post same to "B."
- (e) Give Journal Entry to admit Oulton he paying in to the business cash for his investment. Post same.
- (f) Show initial Trial Balance of new firm.

H. N. Daughinee and W. J. Borgal carried on business in partnership and on Dec. 31/16 being in financial difficulties, they asked you to prepare from following data a statement of their affairs to present to their creditors :

Cash in office.....	\$ 50
Stock-in-trade (cost \$5000) estimated to produce.....	3750
Book Debts —good.....	1500
" " —doubtful, \$500, estimated to produce.....	250
" " —bad, \$750.....	
Fixtures (cost \$2500) estimated to produce.....	500
Real Estate cost.....	5000
Daughinee's Estate.....	750
Borgal's " insolvent.....	6000
Unsecured trade creditors.....	3000
Bank over-draft unsecured.....	4000
Mortgage on Real Estate.....	800
Wages for past month.....	

Prepare Statement showing deficiency.

COMMERCIAL TERMS

A 1: Is a mark to signify that the document is certified as first class.

Abandonment: Is a term used in marine insurance to denote that the owner has made over to the insurer his entire interest in any property that may be rescued.

Acceptance: An acceptance is the signification of the assent of the Drawee to the order of the Drawer.

To be valid (in Canada):

- "(1) It must be written on the bill.
- "(2) Signed by the Drawee, or his attorney.
- "(3) It must not state that the obligation will be performed in any way but by the payment of money."

Accommodation Person: "An accommodation person to a bill or note is a person who has signed as Drawer, Acceptor, Maker, or Indorser, without receiving value therefore and for the purpose of lending his name to some other person. Such person is liable to a holder for value; it is immaterial if the holder knew when he took the bill such person to be an accommodation person or not."

Accountant: One skilled in keeping accounts; a professional bookkeeper.

Account Current: A statement of the transactions between two persons, showing debits and credits.

Account Sales: An itemized statement sent by a commission merchant to his principal showing the quantities and prices of goods sold, the commission and other charges, and the net proceeds.

Accrued: Interest accumulated and unpaid.

Act of God: Is a phrase inserted in contracts, particularly bills of lading and insurance policies, to denote those perils and dangers which human aid are powerless to avert.

Actuary: One skilled in the doctrine of life annuities, insurance, etc.

Ad Extremum: To the extreme.

Ad Infinitum: To infinity.

Ad Interim: In the meanwhile.

Ad Libitum: At pleasure.

Ad Referendum: To be further considered.

Adjust: To put the books in order.

Administrator: One appointed by Probate Court to settle an estate.

Ad Valorem: According to value.

Advance: Addition to cost; premium; money paid before, or goods delivered before the value is received.

Advice: Information regarding business transactions.

Affidavit: A written statement under oath.

Agenda: The docket or a list of the business to be transacted at a meeting.

Agent: One with authority to transact business for another.

Allocate: Means to allot or assign to each person his shares.

Allonge: Is a slip of paper attached to a bill for signatures of additional indorsers.

Amount: The total sum. Principal and Interest, or Base and Percentage added together.

Anchorage: Is the charge on vessels for anchoring in certain ports.

Annuity: A sum payable periodically as yearly or half yearly.

Annuitant: One who receives an annuity.

Antedate: To date earlier than the actual time.

Appraise: To set a value upon.

Appraiser: One authorized to value property.

Arbitration: Settling disputes by referring the matter to two or more neutral parties agreeable to the disputants.

Articles of Association: The rules by which limited companies are governed.

Assessment: The valuation of property to determine the proportion of tax to be collected.

Assets: All property in possession of the business and all amounts due.

Assignee: A person appointed to adjust the affairs of an insolvent debtor.

Assignments: The act of transferring property to an assignee for the benefit of one's creditors.

Assignor: One who transfers his interest to another.

Attachment: A legal seizure of property.

Attorney: One legally qualified to practice in a court of law, or a person appointed in writing to act for another.

Attorney-General: The legal adviser of the Crown.

Auctioneer: A person who sells by public bidding.

Audit: To examine the accounts to satisfy of their accuracy by comparing the entry with the voucher.

Auditor: A person who audits the books of another.

Auxiliary Books: Those not used as books of original entry or principal books, but as aids to such books.

Averaging an Account: Finding the time when an account of two or more transactions may be paid as one sum without loss to either person.

Award: The final decision rendered in writing by arbitrators.

Bail: The security of a person for the appearance of another person in court.

Bailee: One to whom goods are delivered in trust.

Bailor: One who delivers goods to another in trust.

Bailiff: A sheriff's officer.

COMMERCIAL TERMS.

- Balance** : The difference between the two sides of an account; to close a Ledger Account.
- Balance of Trade** : The difference between the value of imports and exports of one country with another country.
- Balance Sheet** : A detailed statement showing the value of a business.
- Bale** : Roll, bundle, or package of goods.
- Ballast** : Heavy material placed in the hold of a ship to steady her.
- Bank** : An incorporated bank or savings bank carrying on business in Canada. (B. E. Act 1890).
- Bank Book** : A book held by a depositor showing all values given to the Bank and all sums withdrawn. The Depositor must never make any entry in this book. The Bank Ledger Keeper will credit all values given, and charge, at regular intervals, all sums withdrawn.
- Bank Note** : Demand promissory notes of incorporated banks. They must be \$5 or multiples of 5.
- Bankrupt** : One unable to meet his business obligations.
- Barratry** : A marine term used when the master or sailors of a ship defraud the owners or insurers by deserting the ship or making an improper use of the cargo.
- Barrister** : One entitled to plead at the bar or in a law court.
- Barter** : The giving of one commodity for another without the use of money.
- Bear** : One who sells shares which he does not possess that said shares may decline in value so that when called upon to deliver he may buy at a low price and thus realize a profit.
- Bill** : A statement of goods bought at one time or value of services rendered usually known as an invoice.
- Bill of Entry** : A statement presented to a Customs Office of goods imported.
- Bill of Exchange** : "An unconditional order in writing, addressed by one person to another, requiring the person to whom it is addressed to pay on demand, or at a fixed or determinable future time, a sum certain in money, to, or to the order of a specified person or bearer."
- Bill of Lading** : A written statement of goods shipped, bearing the signature of the agent of the transportation company.
- Bill of Sale** : A legal contract in writing under seal by which a person transfers his title in property.
- Board of Trade** : An association of business and patriotic citizens who devise methods of facilitating business and increasing trade.
- Bon** : Good. Orders for value but not payable in money. They are not negotiable.
- Bond** : A written obligation, under seal, to pay a sum of money or to perform a contract.
- Bonded Goods** : Imported goods in charge of a Customs Officer until the duties are paid.
- Bottomry Bond** : A lien on a vessel for money loaned.
- Bonus** : A special allowance to one who is already a participant in profits or dividends.
- Bounties** : Premiums paid by a government to encourage industry.
- Broker** : One who sells and buys stocks, etc.
- Brokerage** : A commission charged by a broker for business transacted.
- Bull** : A stock exchange term applied to one who is anxious that prices should rise when he is prepared to sell.
- Note—A Bear seeks to pull down prices, while a Bull endeavours to raise or force up the prices.
- Bullion** : Uncoined gold or silver.
- Business** : An exchange of commercial values; a person's occupation.
- Cable** : A strong rope or chain; a submarine wire; a message sent by a submarine cable.
- Capital** : The effects invested in business, including personal and property accounts.
- Capias** : A writ commanding the seizure of the defendant's person.
- Cargo** : The merchandise and wares constituting the freight of a vessel.
- Cartage** : A charge for transporting goods usually to and from warehouses.
- Cashier** : One who has charge of money.
- Cash Discount** : An allowance for ready money or payment within a specified time, in contradistinction to credit sales.
- Certified Cheque** : A cheque for which the bank on which it is drawn has become responsible by the guarantee of one of its officers on its behalf.
- Certificate of Deposit** : A receipt from a bank for money deposited on interest.
- Charter** : The authority from a government by which a corporate company may conduct business. The contract between the owners of a vessel and the lessees.
- Chartered Accountant** : An accountant who has been admitted to an Incorporated Institute of Accountants which has degree-conferring powers.
- Charter Party** : The agreement or contract by which the owner agrees to place his ship at the disposal of a merchant or trader for the conveyance of goods from one place to another.
- Chattels** : Movable property.
- Cheque** : A Bill of Exchange drawn on a bank payable on demand.
- Circular Letter** : A printed letter issued by a business concern for a special purpose.
- Cipher** : A secret kind of writing, usually employed in telegrams to secure secrecy of contents.
- Clearance** : A certificate from a port officer permitting a ship to proceed on her journey.
- Clients** : Those who employ the service of professional men as lawyers, chartered accountants, etc.
- Coasters** : Vessels employed in home trade only.
- Closing an Account** : Making such an entry as will balance it, and lining it off.
- Cocket** : A custom house receipt showing that goods have been properly entered.
- Collateral** : Any pledge given in the form of stocks, bonds, notes, etc., as security for an indebtedness.

- Contract** : "An agreement enforceable at law, made between two or more persons, by which rights are acquired by one or more to acts or forbearances on the part of the other or others."
- Clearing House** : A place where the representatives of the banks of a city meet daily for the settlement of their accounts with each other.
- Commercial Paper** : Bills of Exchange, Promissory Notes, Cheques, and like negotiable instruments issued in the regular course of business.
- Commission** : A percentage allowed an agent for buying or selling goods.
- Compound or Compromise** : A settlement of a debt by the paying of part only.
- Consignee** : One to whom goods are sent. Such goods are usually sold for the credit of the shipper.
- Consignment** : Goods sent to be sold by an agent.
- Consul** : A representative of a Government in a foreign country to guard the interest of the subjects of such Government.
- Contra** : On the opposite side.
- Convoy** : Warships accompanying vessels of commerce as protection.
- Co-partnership** : The union of two or more persons for the purpose of conducting a business enterprise.
- Copyright** : The right granted by a Government to an author to control the publication of a book.
- Counterfeit** : Spurious; imitation; forgery.
- Countrmand** : Cancellation of a former order.
- Coupon** : An order for interest attached to a bond payable to bearer.
- Credit** : The side which shows value received from another; to trust; the reputation of persons in meeting business obligations.
- Creditor** : One who gives value without receiving equal value.
- Custom House** : The place where imported goods are entered and the duty paid.
- Days of Grace** : An extension of time (three days) allowed on all bills and notes in Canada, except demand bills and notes, after the nominal maturity, before payment can be enforced.
- Dead Letter** : One which is undelivered and unclaimed.
- Debenture** : A written pledge issued by a corporate body, municipality, or nation for money borrowed.
- Debit** : To charge; to make an entry on the left-hand side of an account to indicate that value was given by the business.
- Debtor** : One who receives value without giving equal value. A thing is a debtor when it costs value.
- Deed** : A written contract under seal transferring property, usually real estate.
- Del Credere Commission** : An additional charge made by an agent for guaranteeing the solvency of purchasers and that he will personally be responsible for all credit sales.
- Defendant** : A person against whom a suit is brought.
- Demurrage** : The charge for detaining a ship, car or other vehicle beyond a stipulated time while either loading or discharging cargo.
- Depot** : A place where goods are landed or stored.
- Deposit** : To place funds in a bank; money placed in a bank.
- Depreciation** : An annual allowance for wear and tear of machinery, tools, real estate, etc.
- Derelict** : A boat, ship, or goods found forsaken at sea.
- Director** : One of a number chosen to conduct the affairs of a company.
- Discount** : An allowance made for prompt payment.
- Dishonor** : Refusal to accept or redeem a written obligation.
- Dissolution of Partnership** : The breaking up of a firm as by retirement of one or more partners; by mutual agreement; by efflux of time; by completion of undertaking; by bankruptcy of any partner; by death of a partner.
- Distraint** : Seizure of goods for debt.
- Dividend** : That portion of the earnings of a corporation divided among the stockholders.
- Draft** : A term used synonymously, with Bill of Exchange; usually applied to inland bills.
- Drawee** : The person on whom a bill of exchange is drawn; the person required to pay the money.
- Drawer** : The person who draws a bill of exchange; the one who gives the order.
- Due Bill** : A written acknowledgment of debt.
- Duodecimo** : Usually written 12mo., a book formed of sheets folded so as to make 12 pages.
- Duplicate** : A copy; to copy.
- Duty** : A tax levied on goods imported or exported.
- Earnest Money** : A sum given in token of a bargain having been made. It is no part of the purchase price.
- Effects** : The resources or assets of a person, as, Cash, Bills Receivable, Real Estate, Personal Accounts Receivable, and the Property Accounts.
- Embargo** : A government prohibition of ships leaving port for a given time.
- Embezzlement** : A fraudulent appropriation of funds entrusted to one's care.
- Emporium** : A trade centre.
- En banco** : Full bench of judges in session.
- Endorse or Indorse** : To write on the back of a bill or note for the purpose of transferring it to another and thus guarantee its worth; or, to acknowledge the receipt of part payment.
- Escheat** : Property which reverts to the crown through failure of heirs or forfeiture.
- Exchange** : The giving and receiving of values; the process of remitting money; a charge for remitting money.
- Ex-ship** : Means that goods are sold free out of ship, the vendor's responsibility ceasing when the goods leave the ship's side.

- Ex-Warehouse** : Means the purchaser must provide means of conveyance from the warehouse door.
- Extend** : To place the values in the money columns. Short-extend: to place values to the left of money column; to postpone time of payment.
- Execution** : A legal direction to an officer of the law authorising him to enforce payment.
- Face** : The sum for which a bill or note is drawn.
- Factor** : An agent who accompanies the goods.
- Financier** : One skilled in money matters.
- Firm** : The name under which a number of persons conduct business.
- Fixtures** : The fittings of an office or store not movable.
- Folio** : The page of an account book.
- Footing** : The total of a column of figures; the act of adding the values.
- Foreclose** : Is to take actual possession of mortgaged property with a view of securing payment of loan.
- Forgery** : Is the fraudulent making of any document or altering any document with the intention that any person shall be deceived thereby.
- Free Trade** : Implies non-interference by law with the natural course of buying and selling.
- Freight** : Goods being transported; the charge for transportation.
- Good Will** : Is the benefit accruing to an established business from a liberal patronage of regular customers, or an excellent reputation of, or favorable location of the business.
- Gross Weight** : The total weight of goods including that of the wrappings.
- Guarantees or Guaranty** : A pledge for the performance of a contract; a deposit made to indemnify against loss by failure of the contractor to fulfil his engagement.
- Holder** : Means the payee or endorsee of a bill or note who is in possession of it, or the bearer thereof."
- Honor** : To accept a draft; to pay a draft when due.
- Hypothecate** : Is to place or assign property as security under an agreement.
- Imports** : Goods brought from a foreign country.
- Inland Bill** : A bill both drawn and payable in the same country.
- Indemnity** : Guaranty against loss.
- Indenture** : A mutual agreement in writing between two or more persons.
- Indorsement or Endorsement** : Anything written on the back of a commercial contract.
- Insurance** : Guaranteed indemnity in case of loss; the premium paid for insuring property or life.
- Insolvent** : Unable to pay one's debts.
- Instalment** : The portion of a sum of money paid or to be paid.
- Instant** : Present month.
- Interim Dividends** : Payments made on account of profits of an undertaking, but before the exact amount of profit has been determined.
- Intestate** : Dying without having made a will.
- Interest** : An allowance made for the use of money.
- International** : Mutual understandings between nations.
- In Transitu** : On the way.
- Inventory** : An itemized statement of all property owned by the business.
- Invoice** : An itemized statement of goods bought or sold.
- I. O. U.** : A written acknowledgment of indebtedness.
- Jetsam** : Goods thrown overboard in a time of peril.
- Jobber** : A person who buys from importers or manufacturers, and sells to retailers.
- Joint Stock Company** : A company organized by authority of parliament, but resembling a partnership, and whose capital is divided into equal shares. The liability of each shareholder is limited to the amount unpaid on his shares.
- Judgment** : An order from a court enforcing a contract or redressing a wrong.
- Jury** : A select body of men chosen by court, and sworn to declare the truth on evidence before them.
- Knot** : A nautical mile—2028 yds.—1-80th of a degree.
- Lease** : A written contract granting the use of lands, or buildings, or both for hire.
- Legacy** : Property left to one by will.
- Letter of Credit** : A letter, usually addressed by one banking concern to another, authorizing delivery of goods or money on the credit of the writer.
- Letters Patent** : The term applied to a government document conferring a patent or authorizing a person to enjoy some special privilege for a given time.
- Liabilities** : A person's pecuniary obligations to others.
- Licenses** : Legal permission to conduct a business.
- Lien** : The permission to retain the property of another until a legal claim is satisfied.
- Lighter** : A large boat used in loading and unloading ships.
- Liquidate** : To discharge a legal claim.
- Lock-out** : Occurs when an employer prevents workmen from returning to their labor owing to a dispute about the terms of employment between master and men.
- Mail** : A general term applied to letters and correspondence.
- Maker** : The person who signs a promissory note.
- Manifest** : A written statement of a ship's cargo.
- Maturity** : The day on which a legal contract should be performed.
- Mercer** : One who deals in woollens or silks.
- Merchandise** : Goods bought to be resold.
- Money** : The currency of a country where a monetary contract matures.
- Monopoly** : The exclusive privilege to sell or manufacture.
- Month** : "The term month in a bill means a calendar month."

- Mortgage** : A written pledge (under seal) of property for the payment of money. To be binding it must be recorded.
- Negotiable** : All commercial paper that is transferable by indorsement or delivery is said to be negotiable.
- Net** : The portion remaining after all deductions are made.
- Net Proceeds** : The residue after all charges have been deducted.
- Notary** : A person who attests written contracts and protests paper for non-acceptance or non-payment.
- Note** : A memo of a business transaction; see promissory note, sometimes called note.
- Octavo, 8vo.** : A book having eight leaves to the sheet.
- Open Account** : A running account of debits and credits.
- Open Policy** : An insurance policy covering all goods shipped by a certain route within a given time from one person; the amounts and other particulars of each invoice are indorsed upon the policy.
- Order** : A written request for the delivery of goods or money.
- Overdue** : Mature, but not discharged.
- Par of Exchange** : The value of the unit coin of one country in comparison with the unit of another.
- Perol** : Oral; by word; not written.
- Partnership** : See Co-partnership.
- Pass Book** : See Bank Book.
- Payee** : The person in whose favor a bill or note is drawn.
- Pilotage** : A sum paid for the services of a pilot in entering port.
- Policy** : The written contract by which an insurance company guarantees indemnity in case of loss.
- Post Date** : To date after the real date.
- Posting** : Transferring the entries from books of original entry to the Ledger.
- Power of Attorney** : A written document by which one person delegates to another power to contract for his principal.
- Premium** : Above face value; the cost of insuring.
- Prima Facie** : At first view; presumptive evidence.
- Principal** : The manager or proprietor of a business house; the sum on which interest is charged.
- Primage** : A percentage of the freight money allowed to the master of a vessel.
- Probate** : Proofs of a will before the proper court or a certificate that the will has been proven.
- Procurement** : The act of procuring; the document by which one contracts for another.
- Pro Forma** : Documents drawn up after the form of a prescribed model.
- Promissory Note** : "Is an unconditional promise in writing made by one person to another, signed by the maker, engaging to pay, on demand or at a fixed or determinable future time, a sum certain in money, to, or to the order of a specified person or to him."
- Prospectus** : A booklet setting out the proposed plans of a company about to be organized.
- Protest** : A formal declaration by a notary stating that a draft or note has not been accepted or paid.
- Proxy** : The document given to one empowering him to act, also sometimes used to denote the person who acts for another under such a document.
- Quarantine** : Restraint of intercourse to which a ship, house, or town is subject on account of some infectious or contagious disease.
- Quarto, 4to** : Four to a sheet, folded into four leaves, or a book of quarto size.
- Quorum** : A sufficient number of the members of any body to transact business.
- Quotations** : The published prices of goods, stocks, freights, etc.
- Re** : Relating to.
- Real Estate** : Immovable property as land.
- Rebate** : An allowance from regular prices for prompt payment or other cause.
- Receipt** : A written acknowledgment of having received Cash or Mds. from another.
- Receiver** : One appointed to take charge of the affairs of a joint-stock company at its dissolution, and to pay all legal claims.
- Redeemed** : Discharged by payment at or after maturity by the promisor.
- Release** : A document setting a person free from an engagement previously entered into.
- Remittance** : Money sent from one person to another; the act of sending money.
- Render** : To furnish an account of.
- Renewal** : A new bill or note given for one mature, but unredeemed.
- Reserve Fund** : That part of the profits retained to meet any exceptional demand which may arise.
- Resources** : Property of all kinds including oral and written promises due by others.
- Retail** : To sell in small quantities.
- Royalty** : Payments made to a patentee for the use of his patent or to an author for the privilege of publishing his manuscript.
- Salvage** : An allowance awarded for saving a ship or her cargo.
- Schedule** : An inventory or catalogue of prices, or other information.
- Set of Exchange** : Foreign bills are usually drawn in sets of two or three, all of same tenor and date. The acceptance and payment of any one discharges all.
- Stet** : Let it stand or remain as it was originally written or printed.
- Shipment** : Goods delivered on board any vessel or railway train. Goods sent to an agent to be sold on account and risk of the shipper, known as the Consignor.
- Sight** : On presentation, with the addition of three days of grace.
- Signature** : A person's signature includes his name, his mark, or his trade name.
- Smuggling** : Importing goods without proper entry papers and paying duty.
- Solvent** : Able to pay one's obligations in full.
- Spot Cash** : The price charged for goods at time of sale or on delivery.

ABBREVIATIONS USED IN BUSINESS.

- Statement** : An itemised list of the debits and credits of an account.
Stat. : A law enacted by Parliament.
Stock : Merchandise or goods used in trade; shares in a joint-stock company.
Storage : A charge for protecting goods in a warehouse.
Subpoena : A writ commanding the appearance in court of the person to whom it is addressed.
Subsidy : An aid in money granted by government.
Sue : To bring an action in law.
Surety : One who binds himself for the fulfilment of a contract made or undertaken by another.
Syndicate : An association of capitalists united for the prosecution of a business enterprise.
Tare : An allowance for weight of boxes, bags, barrels, etc. The remainder is called the net weight.
Tariff : A tabulated list of duties, freights, etc.
Telegram : A communication transmitted by electric telegraph.
Telephone : An electric instrument used for transmitting oral messages.
Teller : One who receives or counts; a bank officer who receives or pays out money.
Trade Discount : Discount allowed to persons who buy at wholesale, from the marked or listed prices.
Tonnage : The weight of goods or measurement of a vessel.
Tret : An allowance of weight to purchasers for waste, shrinkage, or refuse matter after the tare is deducted.
Transfer : The legal conveyance of property from one person to another.
Trustee : A person to whom anything is committed in trust.
Underwriter : A person who insures property against loss.
Ultimo : The last month preceding the present one.
Usury : Interest in excess of legal rate. In Canada 5 per cent. is legal rate when no rate is mentioned in the contract.
Valid : A term applied to documents or contracts properly executed; legal; binding.
Vendor : One who sells.
Void : Not legally binding.
Voucher : A document or book which vouches or guarantees the genuineness of a transaction. A receipt or cancelled note.
Warrantor : The person who guarantees the fulfilment of the contract, as the warrantor of a note writes on the back engaging to pay if the promisor does not redeem it.
Way-Bill : A paper showing the list of goods sent by railway. It gives a general description, weight, and other particulars.
Wharfage : Money paid for the use of a wharf.
Wholesale : To sell goods in large quantities, usually in unbroken packages.

ABBREVIATIONS USED IN BUSINESS

s. or @ (L. ad.)	To or at.	Black.
A.I.	First Class.	Bales.
Acct. or %.	Account.	Bought.
Ad. or Adv.	Advertisement.	Bills Payable.
Admr.	Administrator.	Bills Receivable.
Admx.	Administratrix.	Brother.
Ad. val.	According to value.	Brothers.
Agt.	Agt. rt.	Brought.
Amt.	Amount.	B/S
Ans.	Answer.	Bill of Sale.
Apr.	April.	Bushel.
A/S	Account Sales.	Box.
Ass'd.	Assorted.	Cents.
Ast.	Assistant.	Chartered Accountant.
Atty.	Attorney.	Capital Account.
Aug.	August.	In care of.
Ave.	Avenue.	Captain.
Bal.	Balance.	Cash Book, Cape Breton.
B. C.	British Columbia.	Chgd.
Bbl.	Barrel.	Chgs.
Bdl.	Bundle.	Chest, Chests.
Bgs.	Bags.	Chain.
B/E	Bill of Exchange.	Cleared.
B. I.	British Isles.	Cheque.
Bk.	Bank.	Check-mark.
Bkts.	Baskets.	Cost and Freight.
B/L	Bill of Lading.	

ABBREVIATIONS USED IN BUSINESS.

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C. I. F. or C. A. F.	Cost, Insurance (Assurance) & Freight.	Inv.	Inventory.
Clk.	Clerk.	I. O. U.	I owe you.
Co.	Company, County.	Jan.	January.
Con.	Contra, Against.	Jr. or Jun.	Junior.
C. O. D.	Collect on Delivery.	lb., lbs. or "	pounds (placed after a number), as 34 lbs., or 34".
Coll.	Collection.	L. S.	Legal Seal.
Com.	Commission.	Ltd.	L'nted.
Const.	Consignment.	Mar.	March.
Cor. Sec.	Corresponding Secretary.	Mdse.	Merchandise.
C/P.	Charter Party.	Mem.	Memorandum.
Cr.	Credit, Creditor.	Mesrs.	Plural for Mr.
Ctg.	Cartage.	Mfg.	Manufacturing.
Cwt.	Hundred-weight (112 lbs.).	Mfr.	Manufacturer.
d.	Pence.	Mo.	Month.
D/B	Day Book.	Mo.	Months.
Dec.	December.	Mr.	Mister.
Dept.	Department.	Mrs.	Mistress.
Dft.	Draft.	MS., MSS.	Manuscript, Manuscripts.
Disc.	Discount.	Mtg.	Mortgage.
Do. or "	The same.	N. B.	New Brunswick (Nota Bene), take notice.
Dos.	Dosen.	No. (L. numero)	Number.
Dr.	Debtor, Debit.	Nov.	November.
Da.	Days, Dollars.	N. P.	No Protest.
ea.	Each.	N. S.	Nova Scotia.
e. g.	For example.	Nfld.	Newfoundland.
E. E.	Errors Excepted.	Octavo (Svo)	Sheet folded in eight leaves.
E. & O. E.	Errors and Omissions Excepted.	Oct.	October.
Eng.	England.	O. K.	All cor rect.
Ent'd.	Entered.	%	Per cent.
Eq.	Esquire.	O. H. M. S.	On His Majesty's Service.
Et al.	And others.	P.	Page.
Etc. or &c.	And other things.	Payt., Pmt.	Payment.
Ex.	Example, Express, without.	Pcs.	Pieces.
Exch.	Exchange.	Pd.	Paid.
Exec. or Exr.	Executor.	P. E. I.	Prince Edward Island.
Exex. or Ex'x.	Executrix.	Per.	By.
Ex. SS.	Out of Steamship.	Per cent.	By the hundred.
Feb.	February.	Pk.	Peck.
Fir.	Firkin.	Pkg.	Package.
Fol.	Folio.	P. M.	Post Meridian, afternoon.
F. O. B.	Free on Board.	P. Q.	Province Quebec.
Fo'd.	Forward.	Prem.	Premium.
Frt.	Freight.	Prox.	Next Month.
Ft. or '	Foot.	Pro.	For.
Gal.	Gallon.	Pr.	Pair.
Gro.	Gross.	P. S.	Postscript.
Grn.	Grains.	Pt.	Pint.
Hdkf.	Handkerchief.	Pwt. or dwt.	Penny-weight.
Hhd.	Hogshead.	Qr.	Quarter, Quire (24 sheets).
Hon.	Honourable.	Qt.	Quart.
H. P.	Horse Power.	Quarto (4to)	Sheet folded in four leaves.
i. e.	That is.	Qtl.	Quintal.
In. or "	Inches.		
incog. (L. incognito)	Unknown.		
Ins.	Insurance.		
Inst.	Instant.		
Int.	Interest.		
Inv.	Invoice.		

ABBREVIATIONS USED IN BUSINESS

Re (Latin).....	Relating to.	Stat (Latin).....	Let it stand.
Rec'd.....	Received.	Str.....	Steamer.
Ret'd.....	Returned.	Supt.....	Superintendent.
Rm.....	Ream (20 quires).	Tcs.....	Tierces.
R. R.....	Rail Road.	Ult.....	Last month.
Ry.....	Railway.	Via.....	By the way of.
s.....	Shilling.	Viz.....	Namely.
Sec.....	Secretary.	Vs.....	Versus (against).
Sch.....	Schooner.	W. I.....	West Indies.
Sept.....	September.	Yd.....	Yard.
Ship't.....	Shipment.	Yr.....	Year.
Sq.....	Square.		
Sr. or Sen.....	Senior.		
St.....	Street.		
St. Dft.....	Sight Draft.		

